

## Translation of Liechtenstein Law

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**Liechtenstein Legal Gazette**

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**Law**

of 23 September 2010

**on National and Municipal Taxes (Tax Act;  
SteG)**

I hereby grant My Consent to the following resolution adopted by the Liechtenstein Parliament:<sup>1</sup>

**I. General Provisions**

Art. 1

*Object*

1) This Law shall govern the levy of:

- a) Property and Income Tax;
- b) Tax based on expenditure;
- c) Real Estate Capital Gains Tax;
- d) Corporate Earnings Tax;
- e) Formation Tax and Insurance Premium Tax.

2) The additional levy of a top-up tax for constituent entities under the Law on the Minimum Taxation of Large Enterprise Groups remains reserved.<sup>2</sup>

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<sup>1</sup> Report and application, together with comments from the Government No. 48/2010 and 83/2010

<sup>2</sup> Art. 1 (2) inserted by LGBl. 2023 no. 485.

## Art. 2

*Terminology and designations*

1) The following definitions are established for the purposes of this Act:

- a) "permanent establishment": any fixed place of business through which the economic activity of an undertaking or a liberal profession is wholly or partially conducted. Permanent establishments shall include, in particular:<sup>3</sup>
1. the effective place of management;
  2. a branch;
  3. an office;
  4. a factory;
  5. a purchasing or sales office;
  6. a workshop;
  7. a site of exploitation of natural resources;
  8. a site for utilisation of hydropower;
  9. a building site, construction or installation existing for more than six months.

A dependent agent shall be deemed to give rise to a permanent establishment even without a fixed place of business if the dependent agent works for the undertaking.

An insurance undertaking shall also be deemed to have a domestic permanent establishment if it generates premium income in Liechtenstein;

- b) "residence": the place where a person resides with the intention of remaining permanently;
- c) "habitual abode": the place or area in which a person is staying on more than a temporary basis. A stay lasting for more than six consecutive months shall, in all cases and from the outset, be deemed to represent a habitual abode; short interruptions are not taken into account. A residence for the purpose of attending an educational establishment or placement in an educational institution, care home or sanatorium, as well as periods spent on holiday or in a health resort, of up to twelve months do not constitute habitual abode or residence;

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<sup>3</sup> Art. 2 (1) a) amended by LGBl. 2024 no. 483.

- d) "effective place of management": the place at which the senior management of the undertaking is concentrated;
- e) "registered office": in the case of legal persons, the place determined by law, the articles of incorporation, statutes or similar. If no place has been determined in this way, the effective place of management shall be deemed to be the registered office.

2) The designations of persons used in this Law shall be understood to mean all persons regardless of their gender, unless the designations of persons refer expressly to a specific gender.<sup>4</sup>

### Art. 3

#### *Abuse of structuring options*

1) Legal or actual structures that appear inappropriate to the financial circumstances and the sole economic purpose of which consists of achieving tax advantages shall be considered abusive, if:

- a) the granting of this tax advantage would be counter to the object and purpose of this Law; and
- b) the taxpayer is unable to present any economic or other significant reason for the choice of this structure and the structure does not produce any separate economic consequences.

2) Where an abuse as defined in (1) exists, the tax shall be levied on the basis on which it would have been levied if the legal structure had been appropriate to the economic events, facts and circumstances.

## **II. National Taxes**

### **A. General Provisions**

#### Art. 4

#### *Exemptions from tax liability*

- 1) The following shall be exempt from tax liability:

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<sup>4</sup> Art. 2 (2) amended by LGBl. 2024 no. 483.

- a) the Reigning Prince, the Hereditary Prince, the Princely Domain and the foundations which, according to their purpose as set out in their statutes, serve the Reigning Prince in the performance of his duties;
- b) the State, the municipalities, the funds of the State and the municipalities, the public bodies of the municipalities, the citizens' cooperatives, as well as public undertakings that are not engaged in commercial activities pursuant to the Public Companies Control Act;
- c) persons who are exempt from taxation by virtue of the practice of international public law;
- d) occupational pension schemes.

2) The Fiscal Authority shall, upon application, exempt from tax liability legal persons and special endowments of assets without legal personality that irrevocably and exclusively pursue charitable purposes on a non-profit-making basis, as defined in Art. 107 (4a) PGR. The Fiscal Authority shall make the decision on exemption. The tax exemption shall not apply to net income generated from commercial business operations conducted by such entities, if these operations generate income in excess of 300 000 Francs. A tax exemption shall not be precluded merely by the fact that:

- a) the person assigns part of its resources, staff or assets for use by another, likewise tax-exempt person for tax-privileged purposes as referred to in line 1;
- b) the person assigns resources in full or in part to a provision, insofar as this is necessary to enable it to achieve its tax-privileged purposes set out in its articles on a sustained basis.

3) The Government shall regulate the exchange of data and records between the Foundation Supervisory Authority and the Fiscal Authority, by Ordinance, as well the verification of compliance with the conditions for tax exemption carried out by the Fiscal Authority and the auditors.

#### Art. 5<sup>5</sup>

##### *Standardised return on assets*

1) The rate of interest for determining the standardised return on assets (projected income) shall be 4 %.

2) The Government shall issue a statement every four years on the appropriateness of the level of projected income as referred to in (1).

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<sup>5</sup> Art. 5 amended by LGBl. 2024 no. 483.

## B. Property and Income Tax

### 1. Common provisions

#### Art. 6

##### *Personal tax liability*

1) Natural persons shall be liable to taxation without restriction on their total assets and earnings, if:

- a) their residence or habitual abode is in Liechtenstein; or
- b) their residence or habitual abode is in a foreign country where, in consideration of an employment relationship with the State, they are exempt from taxation pursuant to a treaty or the practice of public international law (diplomats).

2) Natural persons who do not have their residence or place of habitual abode in Liechtenstein shall be liable to limited taxation on their domestic assets and earnings.

3) An estate subject to probate administration shall be deemed equivalent to a natural person.

4) Domestic assets as referred to in (2) shall include real estate and permanent establishments located in Liechtenstein.

5) Domestic income as referred to in (2) shall include:

- a) income from the management of land used for agriculture and forestry in Liechtenstein and from any other agricultural and forestry production in Liechtenstein;
- b) income from permanent establishments located in Liechtenstein;
- c) income from an activity performed as a non-self-employed person in Liechtenstein, as defined in Art. 14 (2) d), and compensatory income as defined in Art. 14 (2) f), relating to employment in Liechtenstein and paid out by a Liechtenstein-based insurance. An activity as a non-self-employed person shall also be deemed to be:<sup>6</sup>

1. exercised in the taxpayer's country of residence or in one or more other countries if an agreement concluded with the country of residence to avoid double taxation assigns Liechtenstein a right of taxation for this activity exercised in the country of residence or in one or more other countries; or

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<sup>6</sup> Art. 6 (5) c) amended by LGBl. 2024 no. 483.

2. performed in Liechtenstein if it is performed on board a sea-going vessel or an aircraft operated in international traffic, or on board a vessel operating on inland waterways, if the effective place of management of the operating undertaking is located in Liechtenstein;
- d) payments made to members of the Board of Directors or Foundation Board, or members of similar executive bodies of legal persons and special endowments of assets having their registered office or effective place of management in Liechtenstein, that these members receive for their services in these executive functions;<sup>7</sup>
  - e) benefits paid from old-age, surviving dependents' and invalidity insurance, an occupational pension scheme or a pension fund, by virtue of a previous employment under public or private law in Liechtenstein;
  - f) benefits from the surrender of a vested benefits policy or termination of a blocked account that was set up for the use of vested benefits from occupational pension schemes in Liechtenstein;
  - g) projected income as referred to in Art. 5 from domestic taxable assets as referred to in (4).

#### Art. 7

##### *Time limit on tax liability*

- 1) The tax liability shall commence on the day on which the taxpayer:
  - a) takes up residence in Liechtenstein or makes Liechtenstein his or her place of habitual abode (unlimited tax liability); or
  - b) has assets in Liechtenstein or generates earnings in Liechtenstein (limited tax liability).
- 2) The tax liability shall cease:
  - a) upon the death of the taxpayer or when the taxpayer moves abroad (unlimited tax liability); or
  - b) at the time the assets in Liechtenstein cease to exist or the earnings in Liechtenstein are no longer generated (limited tax liability).
- 3) An estate subject to probate administration shall assume the tax liability of the testator until judicial delivery of the estate.

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<sup>7</sup> Art. 6 (5) d) amended by LGBL 2012 no. 303.

## Art. 8

*Joint tax liabilities*<sup>8</sup>

1) Assets and earnings of married couples, who are legally and effectively living together in matrimony, shall be aggregated and assessed jointly, whatever the matrimonial property arrangements. Assets and earnings of persons who are legally and effectively living together in a registered partnership shall be added together.<sup>9</sup>

1a) For the purposes of this Law, the status of registered partners shall be equivalent to that of married couples. This shall also apply to maintenance contributions during the existence of the registered partnership, as well as maintenance contributions and division of property and dissolution of a registered partnership.<sup>10</sup>

2) Subject to the provisions of (4), assets and earnings of under-age children living in the same household as their parents shall be attributed to the parents. The parents shall be obliged to declare the assets and earnings of under-age children in their tax return.

3) If the parents are separated or divorced, or if one parent is deceased, assets and earnings of under-age children shall be attributed to the parent with whom they are living in the same household, subject to the provisions of (4). This parent shall be obliged to declare the assets and earnings of under-age children in his or her tax return. If the children do not live in the same household as one of their parents, or if both parents are deceased, the assets and earnings of the children will be assessed separately for the purposes of taxation.

4) Any earnings from gainful employment of under-age children who live in the same household as their parents, or one parent, shall in any case be assessed separately for tax purposes, insofar as these earnings exceed the amount referred to in Art. 15 (2) i).

5) In derogation of (1), spouses may be assessed separately for tax purposes if they both request it. The provisions of (2) are to be applied on the understanding that half of the assets and earnings are to be attributed to each parent. Unless specified otherwise, each of the spouses shall be entitled to one half of the deductions granted to jointly assessed couples.

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<sup>8</sup> Art. 8 Subject heading amended by LGBl. 2011 no. 385.

<sup>9</sup> Art. 8 (1) amended by LGBl. 2011 no. 385.

<sup>10</sup> Art. 8 (1a) inserted by LGBl. 2011 no. 385.

## 2. Property tax

### Art. 9

#### *Objective tax liability*

1) Property tax is levied on the total moveable and immovable assets of the taxpayer.

2) The assets of companies without legal personality shall be attributed to the participating partners who shall be liable to tax on those assets, together with their other assets.

3) At the request of one or more beneficiary and with the consent of the executive body responsible for distributions, the beneficial interests in irrevocable foundations, special endowments of assets and establishments structured in a similar way to foundations shall be separately liable to property tax. If this is the case, the irrevocable foundation, special endowment of assets or the establishment structured in a similar way to a foundation shall meet the liability to property or income tax instead of the beneficiaries.<sup>11</sup>

4) The assets of revocable foundations, special endowments of assets and establishments structured in a similar way to foundations are to be attributed to the founder, who will be liable to tax. The provisions of (3) shall apply accordingly with the proviso that the tax is to be paid on the basis of the tax rate corresponding to the total assets and total earnings of the founder, including the assets taxed separately in accordance with (3).

### Art. 10

#### *Tax-free assets*

The following shall be exempt from property tax and are not to be taken into account in the determination of the taxable assets:

- a) household contents and personal effects, as well as motor vehicles for the personal use of the taxpayer, provided that their total value does not exceed the sum of 26 400 Francs, and in the case of married couples subject to joint assessment, the sum of 52 800 Francs;<sup>12</sup>
- b) equipment or tools required for an agricultural activity or performance of a trade or for another professional occupation, provided their total value does not exceed the sum of 2 100 Francs;<sup>13</sup>

<sup>11</sup> Art. 9 (3) amended by LGBl. 2014 no. 344.

<sup>12</sup> Art. 10 a) amended by LGBl. 2024 no. 483.

<sup>13</sup> Art. 10 b) amended by LGBl. 2024 no. 483.

- c) collections of artistic, historical or similar importance, that are regularly made accessible for public viewing without any commercial motivation on the part of the owner and which serve to educate the public, or are likely to promote tourism;
- d) assets in the form of agricultural products, such as hay, cereal crops and fruits, on the basis of evidence provided by the taxpayer;
- e) real estate located in a foreign country;
- f) permanent establishments located in a foreign country.

#### Art. 11

##### *Deduction of debts*

1) Debts and other liabilities, for which the taxpayer is liable as the principal debtor, may be deducted from the assets in the calculation to determine the taxable assets. If the taxpayer is jointly liable for the debt with other persons, only the portion attributable to him may be deducted.

2) If only part of an asset is taxable in Liechtenstein, debts may be deducted in the ratio of the portion of the asset that is taxable in Liechtenstein to the total assets. Deduction of debts is not permitted if this would reduce the value of the taxable assets to a negative amount.<sup>14</sup>

#### Art. 12

##### *Determination of the taxable assets*

1) The calculation to determine the value of the taxable assets shall be based on the market value of the individual assets at the beginning of the tax year, or at the beginning of the tax liability. In this connection, the following evaluation principles shall apply, and likewise for calculating the value of debts and other liabilities:

- a) Livestock shall be valued on the basis of the market value.
- b) Hydro power shall be valued on the basis of the market value, taking into account all relevant factors, such as the scale and continuity of the licensed power, location of the plant, costs and problems associated with its installation and operation.
- c) Securities having a quoted price are to be valued on the basis of that price.

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<sup>14</sup> Art. 11 (2) amended by LGBl. 2013 no. 202.

- d) Securities that have no quoted price, as well as non-securitised rights and debts, including beneficial interests with a determinable value are, unless they are included under e), to be valued on the basis of market value, which as a rule should not be set below the nominal value, unless the taxpayer can demonstrate that the nominal value does not correspond to the market value; the likelihood of recovery shall be taken into account in the valuation of contested or demonstrably doubtful debts.
- e) Rights to recurring benefits, in particular ongoing annuities, life maintenance contracts, rights of residence, beneficial interests and rights of use are to be valued at the amount at which an equivalent benefit could be acquired by persons without a close relationship; pensions paid out on the basis of a previously held office or employment are not to be taken into account in the determination of assets.<sup>15</sup>
- f) Rights arising from life assurance policies with a surrender value are to be valued on the basis of the surrender value, including profits, up to the maturity date; the obligation to take this surrender value into account shall continue to apply if a third party is named as the beneficiary.

2) Buildings and land shall in principle be valued on the basis of their capitalised earning value, but at no less than their estimated tax value.

3) Business assets shall be valued at the acquisition or manufacturing cost, less depreciations and value adjustments.

#### Art. 13<sup>16</sup>

##### *Taxation of endowments*

1) Insofar as assets cease to be subject to property tax through a transfer of these assets to a legal person or special endowment of assets not exempt from tax pursuant to Art. 4 (2), the value of the beneficial interests or units cannot be determined, and no request for substitute taxation of assets pursuant to Art. 9 (3) has been submitted, the transferor shall pay a tax of 3.5 % of the value of the contribution for property tax purposes. For securities with no quoted price, a minimum of the proportional asset value of the undertaking shall be used as a basis.

2) If circumstances subsequently change, leading to the discontinuation of an existing liability to property tax relating to beneficial interests

<sup>15</sup> Art. 12 (1) e) amended by LGBl. 2013 no. 202.

<sup>16</sup> Art. 13 amended by LGBl. 2024 no. 483.

or units, and likewise if the request as referred to in Art. 9 (3) is withdrawn, the provisions of (1) shall apply mutatis mutandis.

### 3. Income tax

#### Art. 14

##### *Objective tax liability*

- 1) Income tax is levied on all earnings in cash or cash equivalents.
- 2) Earnings shall include in particular:
  - a) income from the exploitation of land used for agriculture and forestry and from any other agricultural or forestry production;
  - b) any earnings from self-employment in commerce, trade and industry;
  - c) any earnings from self-employment from sources other than those referred to in a) and b);
  - d) all earnings from employment under private or public law (paid employment) including supplementary income such as remuneration for special services, commission, bonuses, awards for length of service or anniversaries, gratuities, tips, royalties and other benefits in kind. If the owner of a legal entity that is taxable pursuant to Art. 44 is employed in that entity, he shall declare an appropriate salary. The scope of the work, the position held and the associated responsibility, the professional skills, the size of the operation and the other salary arrangements in the business shall be taken into account in this connection. This provision shall also apply to persons working in such businesses who have a substantial interest in the capital of the legal entity, that enables them to exercise a decisive influence over its management;
  - d<sup>bis</sup>) payments to members of the Board of Directors, foundation board members or members of similar executive bodies of legal persons and special asset endowments, that these members receive for their services in these executive functions;<sup>17</sup>
  - e) income (pensions and capital benefits) from retirement, surviving dependents' and disability insurance, from compulsory accident insurance, from occupational pension schemes, from pension funds and one-off and recurring payments in the event of death or for permanent physical injury or damage to health;

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<sup>17</sup> Art. 14 (2) d<sup>bis</sup>) inserted by LGBL 2014 no. 344.

- f) all other income replacing income from gainful employment, such as daily benefits from unemployment, accident, life and sickness insurance, after deducting extraordinary expenditure not covered by other insurance benefits;
- g) proceeds from gambling, unless a gaming tax in accordance with the Gambling Act or another foreign tax has already been levied on such proceeds;
- h) compensation for the surrender, discontinuation or non-performance of an activity or a right;
- i) maintenance contributions received by a taxpayer in the event of divorce, legal or effective separation for him or herself, as well as maintenance contributions that a parent receives for children in his or her custody;
- k) contributions that the taxpayer receives as beneficiary, insofar as the beneficial interest is not subject to property tax under Art. 12 (1) d) or e) or Art. 9 (3);
- l) projected income as defined in Art. 5 from the taxable assets referred to in Art. 6 (1).

3) Any receipts in kind shall be considered as income in the same way as monetary receipts.

4) The income of companies without legal personality shall be attributed to the participating partners and taxed together with their other earnings.

5) Income tax is an annual tax. The basis for its assessment shall be determined for each calendar year (tax year). If the limited or unlimited tax liability does not cover a full calendar year, the calendar year shall be replaced by the period of the respective tax liability. Taxpayers with an income as referred to in Art. 14 (2) b) and c), who do not make up their accounts at the end of the calendar year, shall declare their taxable income on the basis of the results of the past financial year.

#### Art. 15

##### *Tax-free earnings*

1) As they are already subject to property tax, the following shall be exempt from income tax:

- a) income from assets on which the taxpayer pays property tax;
- b) recurring benefits received by the taxpayer that are taken into account in the assessment of the taxable assets pursuant to Art. 12 (1) e).

2) The following shall likewise be exempt from income tax:

- a) income from the exploitation of land in a foreign country used for agriculture and forestry and from any other agricultural or forestry production in a foreign country;
- b) income from permanent establishments situated abroad;
- c) one-off accruals of assets in the form of inheritances, bequests and gifts and from the division of marital property;
- d) accrual of assets from private capital endowment policies with a surrender value, excluding accruals from vested benefits policies and blocked accounts;
- e) payments in compensation of damage suffered and the payment of indemnification;
- f) family allowances and parental benefits as set out in the Family Allowance and Loss of Earnings Compensation Act and other payments that are exempt from taxation by law;<sup>18</sup>
- g) payments received by the taxpayer from a sickness and accident insurance policy, provided they are used to cover doctor's fees and hospital costs, medicine and other costs incurred on account of the illness or the accident;
- h) receipts from public funds or from the funds of a public foundation that provide support in cases of need of assistance or care, or that are provided for the purpose of upbringing and education;
- h<sup>bis</sup>) contributions from the Government or employer towards the cost of childcare outside the home;<sup>19</sup>
- i) income as defined in Art. 14 received by taxpayers with unlimited tax liability, insofar as such income does not exceed the minimum subsistence level. The amount of the minimum subsistence level shall be established by the Government by Ordinance, in conjunction with income that is exempt from execution. If only part of the income is taxable in Liechtenstein, total earnings are to be used as a basis. If the tax liability covers a period of less than one year the total earnings are to be converted to a full year;
- k) capital payments paid out under an occupational pension scheme, provided such payments remain in a vested benefits account or are used to buy into an occupational pension scheme;

<sup>18</sup> Art. 15 (2) f) amended by LGBl. 2025 no. 13.

<sup>19</sup> Art. 15 (2) h<sup>bis</sup>) inserted by LGBl. 2020 no. 7. Applies for the first time to the 2019 tax year.

- l) domestic capital gains on business real estate, provided they are subject to capital gains tax, and capital gains from the sale of real estate abroad;
- m) capital gains from the sale of elements of moveable and immovable personal assets;
- n) dividends from holdings in legal entities; for business assets this shall however not apply to dividends if the conditions referred to in Art. 48 (3) to (5) pertain;<sup>20</sup>
- o) capital gains from the sale or liquidation of holdings in legal entities and unrealised capital gains from such holdings; for business assets this shall however not apply to capital gains and unrealised capital gains if the conditions referred to in Art. 48 (6) pertain;<sup>21</sup>
- p) remuneration for honorary offices and voluntary work. The Government shall establish the types of activity and the tax-free remuneration limit by Ordinance;
- q) 30 % of the proceeds from the sale or cessation of a business, on the condition that the taxpayer permanently ceases to be gainfully employed in respect of that business through the sale or discontinuation of the entire business.

#### Art. 16

##### *Determination of taxable income*

- 1) Taxable income shall be determined as follows:
- a) for income from agriculture and forestry as referred to in Art. 14 (2) a), on the basis of yield units; the Government shall establish more specific regulations by Ordinance. Taxpayers who keep proper accounts in accordance with Art. 17, may request that the tax assessment should be based on the income determined on the basis of the annual accounts;
  - b) for earnings referred to in Art. 14 (2) b) and c), on the basis of proper accounting or other appropriate records pursuant to Art. 17. Transfers from business assets to personal assets and vice versa are to be valued at the market value;

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<sup>20</sup> Art. 15 (2) n) amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>21</sup> Art. 15 (2) o) amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

c) for earnings referred to in Art. 14 (2) d) and d<sup>bis</sup>, by deduction of professional expenses from receipts<sup>22</sup>.

2) The following may be deducted in the determination of taxable income:

- a) from agricultural income as referred to in Art. 14 (2) a) 10 %, provided that the taxable income is determined on the basis of yield units;<sup>23</sup>
- b) from income referred to in Art. 14 (2) a), provided that the taxable income is determined on the basis of the annual accounts and from the earnings referred to in Art. 14 (2) b) and c):<sup>24</sup>
  1. all professional expenses, such as expenditure on goods and materials, wages and social welfare expenditure for employees, patent and licence fees, commercially justified depreciations and all other expenditure occasioned by the business;
  2. an appropriate return on proprietary capital employed in the business to the amount of the projected income as referred to in Art. 5; Art. 12 (3) and Art. 54 (2) to (6) shall apply accordingly;<sup>25</sup>
  3. documented business losses from the years preceding the tax year in question, insofar as they could not be included in the calculation of taxable income for those years, but to a maximum of 70 % of the current taxable income. The limitation to a maximum of 70 % shall not apply in the tax year in which the business is permanently discontinued;<sup>26</sup>
  4. losses from a foreign permanent establishment, unless these losses have already been taken into account in the state in which the permanent establishment is located. If this permanent establishment records profits in subsequent years, such profits shall be allocated to the taxable income up to a maximum of the losses previously offset against domestic earnings; the taxpayer shall be obliged to demonstrate each year that there are no grounds for collection of back tax. The allocation must take place within five years from when the loss was offset, or by the end of the period of unlimited tax liability at the latest, based on whichever of the two dates is the earlier;<sup>27</sup>

<sup>22</sup> Art 16 (1) c) amended by LGBl. 2016 no. 524.

<sup>23</sup> Art. 16 (2) a) amended by LGBl. 2024 no. 483.

<sup>24</sup> Art. 16 (2) b) introductory sentence amended by LGBl. 2012 no. 303.

<sup>25</sup> Art. 16 (2) b) no. 2 amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>26</sup> Art. 16 (2) b) no. 3 amended by LGBl. 2024 no. 483.

<sup>27</sup> Art. 16 (2) b) no. 4 amended by LGBl. 2016 no. 524.

- c) from income referred to in Art. 14 (2) d), 1 600 Francs, subject to the recovery of exceptional professional expenses. The Government shall issue appropriate regulations concerning the nature, extent and amount of the permissible expenditure by Ordinance. The Government shall set flat-rate deductions with reference to travel to work by Ordinance, taking into account the distance travelled, irrespective of the mode of transport;<sup>28</sup>
- c<sup>bis</sup>) from income referred to in Art. 14 (2) d<sup>bis</sup>) expenditure on travel, meals and overnight accommodation. The Government shall issue appropriate rules on the scope and amount of permissible expenses by Ordinance;<sup>29</sup>
- d) for pensions from retirement, surviving dependents' and disability insurance or disability pensions from an accident insurance as referred to in Art. 14 (2) e): 70 % of the income.<sup>30</sup>

3) The following may also be deducted in the determination of taxable income:<sup>31</sup>

- a) for each under-age child in the custody of the taxpayer and for each child having reached the age of majority who is at school or in professional training, if the taxpayer meets the major part of their maintenance expenses and the taxpayer is not entitled to any deduction under b) below, a sum of 12 700 Francs; if the child is effectively under the joint custody of parents who are assessed separately, both parents shall be entitled to a deduction of half each;<sup>32</sup>
- b) maintenance contributions to a divorced spouse or a spouse from whom the taxpayer is effectively or legally separated and maintenance contributions to a parent for the children in that parent's custody and for any person the taxpayer supports by virtue of a statutory obligation;
- c) the taxpayer's own contributions to retirement, surviving dependents' and disability insurance, to the Family Allowance Compensation Fund, to unemployment insurance and to compulsory accident insurance;
- d) contributions and premiums paid to private life assurance, sickness insurance and accident insurance that does not fall under c), up to a maximum of 3 700 Francs for all taxpayers, subject to a maximum of 7 400 Francs for jointly assessed married couples, and a maximum of

<sup>28</sup> Art. 16 (2) c) amended by LGBl. 2024 no. 483.

<sup>29</sup> Art. 16 (2) c<sup>bis</sup>) inserted by LGBl. 2016 no. 524.

<sup>30</sup> Art. 16 (2) d) amended by LGBl. 2014 no. 344.

<sup>31</sup> Art. 16 (3) introductory sentence amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>32</sup> Art. 16 (3) a) amended by LGBl. 2024 no. 483.

- 2 200 Francs per child for whom the taxpayer is entitled to a deduction under a);<sup>33</sup>
- e) one-off and regular contributions to recognised pension plans, pension funds and similar occupational pension schemes, up to a maximum of 18 % of the income referred to in Art. 14 (2) a), b), c), d) and f) of the taxpayer or the married couple assessed jointly for tax purposes;<sup>34</sup>
  - f) educational expenses for children, excluding expenses for primary and secondary schools and Liechtenstein music schools, up to a maximum of 12 700 Francs per child, per year. Educational expenses for children who are permanently employed are not deductible. Educational grants awarded by public and private institutions are to be deducted from the total educational expenses. Evidence must be provided of educational expenses;<sup>35</sup>
  - g) medical, accident and dental expenses, not covered by insurance, borne by the taxpayer for his or her own benefit and for the benefit of the persons referred to in d), up to a sum of 6 300 Francs per person. Receipts must be submitted in evidence of expenses exceeding a total of 300 Francs per person;<sup>36</sup>
  - h) voluntary cash payments to legal persons and special asset endowments registered in Liechtenstein that are exempt from tax liability in view of exclusive and irrevocable charitable purposes as referred to in Art. 4 (2), to a maximum of 10 % of the taxable income before application of (2) b) no. 3, with the exception of individual contributions not exceeding 100 Francs. Documentary evidence must be provided of donations that exceed a total amount of 300 Francs. This shall apply accordingly to legal persons and special asset endowments having their registered office in another member state of the European Economic Area or in Switzerland, that in view of exclusive and irrevocable charitable purposes are exempt from tax liability in their state of registration and in that respect meet the conditions for an application pursuant to Art. 4 (2).<sup>37</sup>

<sup>33</sup> Art. 16 (3) d) amended by LGBL 2024 no. 483.

<sup>34</sup> Art. 16 (3) e) amended by LGBL 2014 no. 344. If one-off contributions were made to recognised pension plans, pension funds and similar occupational pension schemes prior to 4 September 2014, these contributions and the regular contributions up to the amount referred to in Art. 16 (3) e) of the previous law may be deducted from the taxable income in the tax return for the 2014 tax year, provided that the total of these contributions exceeds the maximum permitted percentage referred to in Art. 16 (3) e) of the new law (LGBL 2014 no. 345).

<sup>35</sup> Art. 16 (3) f) amended by LGBL 2024 no. 483.

<sup>36</sup> Art. 16 (3) g) amended by LGBL 2024 no. 483.

<sup>37</sup> Art. 16 (3) h) amended by LGBL 2013 no. 202.

i) the cost of career-based professional training and development, including retraining costs up to a total amount of 12 700 Francs, provided that:<sup>38</sup>

1. the first stage of secondary level II has been completed; or
2. the individual in question has reached the age of 20 and the costs do not refer to the cost of education for completing the first stage of secondary level II.

4) If a taxpayer's tax liability covers a period of less than one year, the deductions in Francs applied in accordance with (2) and (3) shall only be made to the extent of the fraction corresponding to the duration of the tax liability.<sup>39</sup>

5) The following in particular are not deductible from the taxable income:

- a) the living expenses of the taxpayer and his or her family;
- b) expenses incurred by the taxpayer on account of his or her professional status;
- c) contributions and premiums to private indemnity insurance;
- d) all direct and indirect taxes.

6) Art. 47 (3) c, c<sup>bis</sup>, i) and k) and Art. 48 (7), Art. 49 to 52, 56 and 60 shall apply *mutatis mutandis*.<sup>40</sup>

#### Art. 17

##### *Obligation to keep accounts and obligation of retention*

1) Taxpayers with earnings referred to Art. 14 (2) b) and c) are obliged to keep proper accounts or other appropriate records. The Government shall settle more specific details by Ordinance.

2) The books and vouchers are to be retained for a period of ten years.

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<sup>38</sup> Art. 16 (3) i) introductory sentence amended by LGBl. 2024 no. 483.

<sup>39</sup> Art. 16 (4) amended by LGBl. 2012 no. 303.

<sup>40</sup> Art. 16 (6) amended by LGBl. 2024 no. 483.

#### 4. Tax calculation

##### Art. 18

###### *Basic principles of tax calculation*

1) Insofar as asset amounts prior to application of Art. 14 (2) l) are not divisible by one hundred Francs and income amounts are not divisible by ten Francs, these amounts shall be rounded down to the nearest one hundred or ten Francs respectively.

1a) If a taxpayer is only liable to pay tax for part of his or her assets or income in Liechtenstein, the deductions in accordance with Art. 16 (2) and (3) shall be fully allowable insofar as they relate to the taxable income in Liechtenstein. The other deductions pursuant to Art. 16 are only allowable in the ratio of the taxable income in Liechtenstein to the total assets and income of the taxpayer, provided that the foreign law allows for such deductions on a proportional basis in the taxation of foreign income. If the foreign law does not provide for any such allowance, the other deductions may be allowed in full. The tax rate corresponding to the total assets and income, taking into account the deductions pursuant to Art. 16 is to be applied to the income taxable in Liechtenstein.<sup>41</sup>

2) For taxpayers whose tax liability refers to a period of less than one year, the calculation shall be made on the basis of the income generated during the period of the tax liability.

3) In the event of marriage, the married couple shall be taxed jointly for the entire tax year, unless separate assessment pursuant to Art. 8 (5) applies.

4) In the event of divorce or in the event of legal or effective separation, the spouses shall be taxed separately for the entire tax year. Each spouse may claim the deductions referred to in Art. 16 (3) a) and d) on a proportional basis; the other deductions may be claimed by the spouse who actually made the payments in question.

5) In the event of the death of a spouse, the married couple shall be taxed jointly until the date of death. The death shall be deemed as termination of the tax liability of both spouses and commencement of the tax liability of the surviving spouse; Art. 21 (2) shall apply accordingly.

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<sup>41</sup> Art. 18 (1a) inserted by LGBL 2014 no. 344.

6) Capital payments pursuant to Art. 14 (2) e) shall, taking into account the deduction pursuant to Art. 16 (2) d), be subject to taxation separately from the remaining taxable income. The average tax rate that would result from the application of the tariff set out in Art. 19 for a pension calculated on the basis of the beneficiary's life expectancy shall be applied to such capital payments. The basic tax free allowance is not to be taken into account in this connection and the relevant deduction set out in Art. 19 a) is to be reduced by 159 Francs, in Art. 19 b) by 238 Francs and in Art. 19 c) by 317 Francs. If the pension calculated falls below the basic tax allowance, the first tariff bracket shall apply.<sup>42</sup>

7) Capital settlements for recurring benefits shall, taking into account the assets and the other income, be subject to the tariff that would be applied if instead of the one-off payment, an equivalent annual payment was made.<sup>43</sup>

#### Art. 19<sup>44</sup>

##### *Tariff*

1) The national tax shall be calculated on the basis of the taxable income, including the assets converted into income in accordance with Art. 14 (2) l). Subject to Art. 15 (2) i), Art. 21 and 22 for taxable income (x) it shall be:

- a) for all taxpayers, subject to b) and c):
- up to 15 855 Francs (basic tax allowance): 0
  - from 15 856 Francs to 21 140 Francs:  $0.01 \cdot x - 159$
  - from 21 141 Francs to 42 280 Francs:  $0.03 \cdot x - 581$
  - from 42 281 Francs to 73 990 Francs:  $0.04 \cdot x - 1 004$
  - from 73 991 Francs to 105 700 Francs:  $0.05 \cdot x - 1 744$
  - from 105 701 Francs to 137 410 Francs:  $0.06 \cdot x - 2 801$
  - from 137 411 Francs to 169 120 Francs:  $0.065 \cdot x - 3 488$
  - from 169 121 Francs to 211 400 Francs:  $0.07 \cdot x - 4 334$
  - over 211 401 Francs:  $0.08 \cdot x - 6 448$ ;

<sup>42</sup> Art. 18 (6) amended by LGBL 2024 no. 483.

<sup>43</sup> Art. 18 (7) inserted by LGBL 2012 no. 303.

<sup>44</sup> Art. 19 amended by LGBL 2024 no. 483.

- b) for single parents as defined in the Family Allowance and Loss of Earnings Compensation Act:<sup>45</sup>
- up to 23 783 Francs (basic tax allowance): 0
  - from 23 784 Francs up to 31 710 Francs:  $0.01 \cdot x - 238$
  - from 31 711 Francs up to 63 420 Francs:  $0.03 \cdot x - 872$
  - from 63 421 Francs up to 110 985 Francs:  $0.04 \cdot x - 1 506$
  - from 110 986 Francs up to 158 550 Francs:  $0.05 \cdot x - 2 616$
  - from 158 551 Francs up to 206 115 Francs:  $0.06 \cdot x - 4 202$
  - from 206 116 Francs up to 253 680 Francs:  $0.065 \cdot x - 5 232$
  - from 253 681 Francs up to 317 100 Francs:  $0.07 \cdot x - 6 501$
  - over 317 101 Francs:  $0,08 \cdot x - 9 672$ ;
- c) for jointly assessed married couples:
- up to 31 710 Francs (joint basic tax allowance): 0
  - from 31 711 Francs up to 42 280 Francs:  $0.01 \cdot x - 317$
  - from 42 281 Francs up to 84 560 Francs:  $0.03 \cdot x - 1 163$
  - from 84 561 Francs up to 147 980 Francs:  $0.04 \cdot x - 2 008$
  - from 147 981 Francs up to 211 400 Francs:  $0.05 \cdot x - 3 488$
  - from 211 401 Francs up to 274 820 Francs:  $0.06 \cdot x - 5 602$
  - from 274 821 Francs up to 338 240 Francs:  $0.065 \cdot x - 6 976$
  - from 338 241 Francs up to 422 800 Francs:  $0.07 \cdot x - 8 667$
  - over 422 801 Francs:  $0.08 \cdot x - 12 895$ .

2) In the case of substitute taxation of assets as referred to in Art. 9 (3), the tariff set out in (1) a) shall apply to the projected income from the assets. The basic tax allowance shall not be applied in this case and the respective deduction amount set out in (1) a) shall be reduced by 159 Francs. If the taxable income is less than the basic tax allowance, the first tariff bracket shall be applied.

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<sup>45</sup> Art. 19 (1) b) introductory sentence amended by LGBl. 2025 no. 7.

Art. 20<sup>46</sup>*Adjustment for bracket creep*

1) If the national index for consumer prices has increased by 3 % or more since the last adjustment for bracket creep, the consequences of bracket creep shall be offset by adjusting the tariff evenly and by adjusting the limits and deductions established in Francs; the Government shall present a corresponding motion to Parliament. The amounts relating to limits and deductions shall be rounded up or down to CHF 100.

2) The index level in May before the commencement of the tax period shall be used as a basis. In the event of negative inflation, no adjustment shall be made.

## Art. 21

*Reservation of progression*

1) Tax is to be paid according to the tax rate corresponding to the total assets and total income, if a taxpayer with unlimited liability:

- a) has assets that are tax-exempt pursuant to Art. 10 e) and f) or in accordance with an agreement for the avoidance of double taxation;
- b) has received income that is tax-exempt pursuant to Art. 15 (2) a) and b), or in accordance with an agreement for the avoidance of double taxation.

2) If a taxpayer's tax liability covers a period of less than one year, the taxable income shall be taxed at the tax rate obtained by multiplying the taxable income by the ratio of one full year to the duration of the tax liability.

## Art. 22

*Avoidance of double taxation*

1) If the assets are located, or the income has been generated in a state with which a double taxation agreement has been concluded, that provides for tax exemption in respect of these assets or this income, or in cases where reciprocity has been granted, the assets or income in question shall be exempt from tax; Art. 21 (1) shall not be affected.

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<sup>46</sup> Art. 20 amended by LGBl. 2024 no. 483.

2) If the assets are located, or the income has been generated in a state with which a double taxation agreement has been concluded, that allows for the foreign tax to be set off against these assets or this income, or in cases where reciprocity has been granted, a tax imposed by this state corresponding to property tax and income tax is to be set off against the national and municipal tax applicable to the assets and income in question.

### Art. 23

#### *Special provisions applicable to limited tax liability*

1) For taxpayers with limited liability, income tax shall:<sup>47</sup>

- a) with respect to income as referred to in Art. 6 (5) a), b) and g), be taxed according to a simplified system at a tax rate of 4 %, plus the relevant municipal surcharge pursuant to (5), taking into account Art. 16 (1) a) and b). Deductions pursuant to Art. 16 (2) may only be claimed insofar as they are financially related to domestic income; assessment in accordance with the standard procedure as set out in (2) shall be reserved;
- b) with respect to income as referred to in Art. 6 (5) c) to f), be settled by the deduction of tax; assessment in accordance with the standard procedure as set out in (2) shall be reserved.

2) An assessment shall be carried out in accordance with the standard procedure:<sup>48 49</sup>

- a) in respect of income referred to in Art. 6 (5) a) and b), if the income, after taking into account the deductions set out in Art. 16 (2) a) and b) nos. 1 and 2, is CHF 211 400 or more;<sup>50</sup>
- a<sup>bis</sup>) in respect of income referred to in Art. 6 (5) c) to f), if the gross income is 211 400 Francs or more; in respect of capital payments referred to in Art. 6 (5) e) and benefits referred to in Art. 6 (5) f), the income converted on the basis of the pension rate is to be taken into account (Art. 18 (6));<sup>51</sup>
- b) in respect of income referred to in Art. 6 (5) c), if under a double taxation agreement the State has the exclusive right of taxation, irrespective of the amount of the taxable income;

<sup>47</sup> Art. 23 (1) amended by LGBl. 2013 no. 202.

<sup>48</sup> Art. 23 (2) amended by LGBl. 2013 no. 202.

<sup>49</sup> Art. 23 (2) introductory sentence amended by LGBl. 2014 no. 344.

<sup>50</sup> Art. 23 (2) a) amended by LGBl. 2024 no. 483.

<sup>51</sup> Art. 23 (2) abis) inserted by LGBl. 2024 no. 483.

c) in respect of income referred to in Art. 6 (5), up to gross income of 211,400 Francs, on request; the provision set out in b) is reserved.<sup>52</sup>

3) If an assessment is undertaken in accordance with the standard procedure, the deductions referred to in Art. 16 (2) and (3) that are financially related to domestic income pursuant to Art. 6 (5) a) to f), shall be allowable in full; the other deductions referred to in Art. 16 shall be allowable in the ratio of the domestic income to the taxpayer's total income. In that case the domestic income is to be taxed at the tax rate corresponding to the total assets and the total income, with allowance for the deductions set out in Art. 16.<sup>53</sup>

4) Repealed<sup>54</sup>

5) If an assessment in accordance with the standard procedure is undertaken, the tariff set out in Art. 19 shall be applied and the following surcharge shall be levied:<sup>55</sup>

- a) in respect of income referred to in Art. 6 (5) a), b) and g), the municipal surcharge of the municipality in which the respective real estate or permanent establishment is located;
- b) in all other cases, a surcharge to be set out annually in the Finance Act.<sup>56</sup>

## 5. Tax deducted at source

### Art. 24

#### *Income subject to deduction of tax*

1) For taxpayers with unlimited tax liability the following shall be subject to tax deduction at source:<sup>57</sup>

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<sup>52</sup> Art. 23 (2) c) amended by LGBl. 2025 no. 541. Shall apply for the first time to assessments for the 2025 tax year.

<sup>53</sup> Art. 23 (3) amended by LGBl. 2014 no. 344.

<sup>54</sup> Art. 23 (4) repealed by LGBl. 2013 no. 202.

<sup>55</sup> Art. 23 (5) amended by LGBl. 2014 no. 344.

<sup>56</sup> Art. 23 (5) b) amended by LGBl. 2021 no. 256. Shall apply in this form for the first time to assessments for the 2021 tax year that take place after its entry into force.

<sup>57</sup> Art. 24 (1) amended by LGBl. 2014 no. 344. The provision set out in (1) shall apply for the first time to the tax deduction to be withheld in 2015 in the case of taxpayers with unlimited liability in respect of remunerations to the members of the Board of Directors or the foundation board or members of similar executive bodies of legal entities and special asset endowments

- a) earnings from paid employment (Art. 14 (2) d)) and compensatory income replacing earnings from paid employment (Art. 14 (2) f));
- b) remunerations to members of the Board of Directors or foundation board, or members of similar executive bodies of legal entities and special asset endowments that these members receive for their services in these executive functions (Art. 14 (2) d<sup>bis</sup>)).

2) For taxpayers with limited tax liability the following shall be subject to tax deduction at source:

- a) earnings from paid employment and compensatory income replacing earnings from paid employment (Art. 6 (5) c));
- b) remunerations to members of the Board of Directors or foundation board, or members of similar executive bodies of legal entities and special asset endowments having their registered office or effective management in Liechtenstein that these members receive for their services in these executive functions;<sup>58</sup>
- c) benefits from retirement, surviving dependents' and disability insurance or an occupational pension scheme or a pension fund based on a previous employment under private or public law in Liechtenstein (Art. 6 (5) e));
- d) benefits arising from the cancellation of a vested benefits policy or a blocked account set up for the use of vested benefits from occupational pension provision in Liechtenstein (Art. 6 (5) f)).

#### Art. 25

##### *Amount of tax deducted*

1) The basis for the calculation of tax to be deducted shall be the gross domestic income and in the case of income subject to deduction of tax as referred to in Art. 24 (2) c), the gross domestic income, taking into account Art. 16 (2) d).<sup>59</sup>

2) In the case of income subject to deduction of tax as referred to in Art. 24 (1) a) and (2) a), the deduction of tax shall be determined by the Fiscal Authority. The amount of the projected annual income, flat rates for

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that these members receive for their services in these executive functions (Art. 14 (2) d<sup>bis</sup>)), (LGBl. 2014 no. 344).

<sup>58</sup> Art. 24 (2) b) amended by LGBl. 2012 no. 303.

<sup>59</sup> Art. 25 (1) amended by LGBl. 2020 no. 7.

deductions and the family circumstances are taken into account when establishing the amount of tax to be deducted.<sup>60</sup>

3) In respect of income subject to deduction of tax pursuant to Art. 24 (1) b) and (2) b) to d), the tax deducted shall be 12 % of income.<sup>61</sup>

4) If the taxpayer or the payment debtor disagrees with the deduction of tax, he or she may ask the Fiscal Authority to issue an order concerning the existence and extent of the tax liability by the end of March of the calendar year following the due date of the payment. The payment debtor shall remain liable to deduct the tax until a legally binding decision has been made.<sup>62</sup>

#### Art. 26

##### *Double taxation agreement*

1) If, under an agreement to avoid double taxation, the right to tax the income designated in Art. 24 lies exclusively with the foreign state of residence of the taxpayer, the Fiscal Authority shall on request confirm tax exemption to the payment creditor. In this case the payment debtor may refrain from deducting the tax.

2) If, under an agreement to avoid double taxation, the permissible domestic withholding tax is limited to a specific rate, the Fiscal Authority shall on request confirm the maximum rate of withholding tax permitted to the payment creditor. In this case the payment debtor may deduct the tax at a reduced rate.

3) If, under an agreement to avoid double taxation, too much withholding tax is retained, the Fiscal Authority shall on request refund the amounts demonstrably withheld in excess to the payment creditor. The time limit for the relevant application shall be two years from the date on which the tax deductions were due.

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<sup>60</sup> Art. 25 (2) amended by LGBl. 2014 no. 344. The provision set out in (2) shall apply for the first time to the tax to be withheld in 2015 for taxpayers with unlimited tax liability in respect of remunerations to the members of the Board of Directors or the foundation board or members of similar executive bodies of legal entities and special asset endowments that these members receive for their services in these executive functions (Art. 14 (2) d<sup>bis</sup>)) (LGBl. 2014 no. 344).

<sup>61</sup> Art. 25 (3) amended by LGBl. 2014 no. 344. The provision set out in (3) shall apply for the first time to the tax to be withheld in 2015 for taxpayers with unlimited tax liability in respect of remunerations to the members of the Board of Directors or the foundation board or members of similar executive bodies of legal entities and special asset endowments that these members receive for their services in these executive functions (Art. 14 (2) d<sup>bis</sup>)) (LGBl. 2014 no. 344).

<sup>62</sup> Art. 25 (4) amended by LGBl. 2016 no. 524.

## Art. 27

*Obligations of the payment debtor*

1) The payment debtor shall take all the action required to ensure that the tax is levied in full. He shall be obliged in particular to:

- a) retain the tax owed when the money payments become due and for other payments (in particular payments in kind) collect the tax owed from the taxpayer;
- b) inform the Fiscal Authority of all persons to whom the payment debtor makes payments that are subject to deduction of tax;
- c) deliver the tax amounts deducted at regular intervals to the Fiscal Authority and to submit a statement pursuant to Art. 28 (3) and pay any difference;
- d) issue a statement or confirmation of the amounts of tax deducted to the taxpayer.

2) The payment debtor shall be liable for payment of the amounts of tax deducted. If the payment debtor has failed to deduct the tax, or only deducted part of it, the Fiscal Authority shall issue an order for payment in arrears. If this is the case, the payment creditor shall be issued an adjusted statement or a confirmation. If the payment debtor has deducted too much tax, the payment creditor may claim back the difference from the Fiscal Authority, once he has received the relevant confirmation.

3) The payment debtor shall not be liable for tax amounts that he has not withheld on account of having received a confirmation as referred to in Art. 26 (1) or (2) and having relied on the accuracy of this confirmation. This shall not apply if the payment debtor was aware that the confirmation was not correct, or if he was not aware due to gross negligence.

4) The Fiscal Authority may oblige the taxpayer to pay withholding tax he owes in arrears, if:<sup>63</sup>

- a) the payment debtor has failed to deduct the tax, or only deducted part of it and a subsequent claim cannot be made on him;
- b) no tax deduction has been withheld through no fault of the payment debtor;
- c) the payment debtor has not withheld the tax deduction upon presentation of a certificate according to Ar. 26 (1) or (2), the accuracy of which he has relied on.

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<sup>63</sup> Art. 27 (4) inserted by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

## Art. 28

*Payments on account and final payments*

1) Employers serving as payment debtors shall pay the total amount of tax they have withheld in respect of income as referred to in Art. 24 (1) and (2) a) to the Fiscal Authority on a quarterly basis.

2) Payment debtors shall pay the total amount of tax they have withheld in respect of payments referred to in Art. 24 (2) b) to d) to the Fiscal Authority every six months.

3) The payment debtor shall submit the following to the Fiscal Authority:

- a) in the case of payments as referred to in Art. 24 (2) b) to d), a statement of the tax deducted every six months;
- b) in the case of payments as referred to in Art. 24 (1) and (2) a), a statement of the tax deducted, at the end of the calendar year; any difference is to be paid.<sup>64</sup>

4) The deadline for the payments referred to in (1) to (3) and for submission of the statement shall be established every year by the Fiscal Authority. Delay interest will be charged if the difference referred to in (3) is paid late.

## Art. 29

*Setting off and refunds*

1) If the taxpayer is subject to a tax assessment in accordance with the standard procedure, the taxable income subject to deduction of tax shall be declared, irrespective of the tax deducted.<sup>65</sup>

2) The certified tax deduction shall be subject to interest. The interest rate will be set by the Government by Ordinance.

3) The amount of tax deducted referred to in (2) shall be set off against the national and municipal tax owed. If the amount of tax deducted, plus interest, exceeds the national and municipal tax owed, the difference shall be refunded to the taxpayer.

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<sup>64</sup> Art. 28 (3) amended by LGBl. 2012 no. 303.

<sup>65</sup> Art. 29 (1) amended by LGBl. 2013 no. 202.

### **C. Lump-sum taxation**

#### Art. 30

##### *Tax liability and taxable object*

1) For persons who take up residence or establish their habitual place of abode in Liechtenstein for the first time, or after an absence from the country of at least ten years, who do not hold Liechtenstein nationality, are not gainfully employed in Liechtenstein and live off the income from their assets or other funds received from abroad, a tax based on expenditure may, upon application, be collected in lieu of property tax and income tax.

2) The application referred to in (1) is to be submitted to the Fiscal Authority. The application shall contain detailed information of the expenditure.

3) Real estate located in Liechtenstein shall be subject to property tax. Art. 10 and 11 shall not apply.

4) The Government shall establish more specific details by Ordinance.

#### Art. 31

##### *Examination of the application*

The Fiscal Authority shall examine the application and decide whether the taxpayer is subject to taxation based on expenditure or whether he or she is to be subject to property tax and income tax under the normal system of taxation.

#### Art. 32

##### *Tax calculation*

The calculation in respect of taxation based on expenditure is based on the taxpayer's total expenditure.

Art. 33<sup>66</sup>*Tax rate*

Tax based on expenditure shall be collected at the rate of 25 % of the expenditure referred to in Art. 32.

## Art. 34

*Tax notice*

If the Fiscal Authority approves the taxpayer's application, it shall notify the taxpayer of the amount of tax and communicate any changes. Tax based on expenditure may be set for several tax years, provided that it can be assumed that the amount of expenditure will remain constant.

**D. Real estate capital gains tax**

## Art. 35

*Taxpayer*

1) Any person who generates profit from the sale of real estate located in Liechtenstein, or parts thereof, under the law of property shall be liable to pay real estate capital gains tax on that profit.

2) The vendor shall be liable for tax.

3) The following shall be deemed equivalent to a sale:

- a) the transfer of real estate by forced sale or expropriation;
- b) change of ownership of real estate on a commercial basis, in particular by:
  1. legal transactions that with reference to power of disposal over the real estate, have the same effect in financial terms as a sale;
  2. imposition of easements on real estate under private law or restrictions on ownership under public law, if these permanently and significantly impair the unrestricted exploitation or sale value of the property and compensation is paid in this respect;

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<sup>66</sup> Art. 33 amended by LGBl. 2013 no. 202.

3. transfer of participation rights in legal persons, whose principal purpose is the acquisition, ownership, management and sale of real property.

Art. 36

*Tax exemption and tax deferral*

- 1) The following shall be exempt from real estate capital gains tax:
  - a) inconvenience compensation payments in expropriation proceedings;
  - b) profits achieved in the onward sale of real estate acquired from a pledgee or guarantor in foreclosure proceedings, provided that the profit does not exceed the loss on the claim secured by the lien or guarantee.
- 2) Taxation shall be deferred in the case of:
  - a) change of ownership due to transfer of assets in the event of death, advance on inheritance or gift;
  - b) merger of property, reallocation of building land or boundary adjustments carried out in accordance with public law.
- 3) Taxation may be deferred in respect of the following, on application:
  - a) reorganisations, provided they have no effect on tax liability in accordance with Art. 52;
  - b) change of ownership between spouses, provided the spouses legally and effectively live together in matrimony. The application is to be submitted by both spouses jointly;
  - c) change of ownership through transfer of real estate for the settlement of marital property or maintenance claims and/or of claims arising from the participation of one spouse in an acquisition by the other. The application is to be submitted by both spouses jointly;
  - d) sale of a residential property (single-family home or condominium) used exclusively by the owner on a permanent basis, provided the proceeds are used within two years to acquire or build a replacement property for the same use in Liechtenstein.<sup>67</sup>
- 4) If taxation is deferred pursuant to (2) and (3), the purchaser of the real estate shall continue to pay the vendor's acquisition costs.

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<sup>67</sup> Art. 36 (3) d) inserted by LGBl. 2024 no. 483.

## Art. 37

*Capital gains on real estate*

1) Capital gains on real estate shall be defined as the amount by which the sale proceeds exceed the acquisition cost.

2) If real estate is exchanged, the difference between the market value of the property received (actual value and premium) and the acquisition costs of the surrendered property shall be deemed to be capital gain. Only the realised element of the profit shall be subject to tax.

## Art. 38

*Acquisition costs*

The acquisition costs shall be the official tax valuation estimated in accordance with Art. 12 (2) at the time of sale, increased by:

- a) the acquisition price, to the extent that it exceeds the official tax valuation, and
- b) value-enhancing expenditure, not including normal value preservation expenditure.

## Art. 39

*Sale proceeds*

1) In a sale concluded by a contract of sale, the purchase price, including all other payments by the purchaser shall form the sale proceeds. If the purchase price is disproportionate to the market value based on customary commercial practice, the latter shall be deemed the sale proceeds, unless the vendor is a family relative of the purchaser in a direct line, or in a collateral line up to the third degree, or the spouse of the purchaser.

2) In the event of transfer of property through a forced sale or expropriation, the auction proceeds or compensation payment shall be deemed the sale proceeds.

## Art. 40

*Deductions*

Losses that the taxpayer has incurred in previous years on the property may be deducted from the capital gains arising pursuant to Art. 37 to 39, unless such losses are covered by insurance.

## Art. 41

*Taxable capital gains on real estate*

Any amount remaining after deductions pursuant to Art. 40 shall constitute the taxable capital gain on the real estate.

## Art. 42

*Tax rate*

The tariff set out in Art. 19 a) shall apply to the taxable capital gains on real estate. If several parcels forming part of the same property, or properties that five years previously constituted one single property unit, are sold within five years, the basic tax free allowance shall only be granted to the same taxpayer on one occasion.

## Art. 43

*Surcharges*

A surcharge of 200 % shall be levied on the amount calculated pursuant to Art. 42, instead of the municipal surcharge.

## E. Corporate Earnings Tax

### 1. Tax liability

Art. 44

#### *Tax liability of legal persons*

1) Legal persons shall be liable to tax without restriction on their total income, if their registered office or their effective place of management is in Liechtenstein; such legal persons shall include, in particular:

- a) corporations (associations, public limited companies, partnerships limited by shares, companies limited by shares, private limited companies, cooperatives, mutual insurance associations), establishments and foundations;
- b) undertakings for collective investment in transferable securities pursuant to the UCITSG, investment undertakings pursuant to the IUG and alternative investment funds pursuant to the AIFMG or comparable undertakings for collective investment established under the law of another state, with the exception of the limited partnership and partnership of limited partners without legal personality, or comparable undertakings for collective investment established under the law of another state;<sup>68</sup>
- c) trust enterprises with legal personality.

2) The tax liability of legal persons as defined in (1), which do not have their registered office or effective place of management in Liechtenstein, as well as special asset endowments without legal personality shall be limited to their domestic income.

3) The following shall be deemed to be domestic income as referred to in (2):

- a) income from the exploitation of land in Liechtenstein used for agriculture and forestry;
- b) rental and leasing income from real estate located in Liechtenstein;
- c) taxable net income from permanent establishments located in Liechtenstein;
- d) earnings from remunerations received for services as a member of the Board of Directors or Foundation Board or as a member of similar executive bodies of legal persons and special asset endowments having their

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<sup>68</sup> Art. 44 (1) b) amended by LGBl. 2016 no. 48.

registered office or effective management in Liechtenstein, where such services have been provided in order to perform these executive functions, insofar as these earnings are not attributable to a domestic permanent establishment<sup>69</sup>.

#### Art. 45

##### *Tax exemptions of legal persons*

1) Legal persons referred to in Art. 44 (1) shall be granted exemption from corporate earnings tax liability by the Fiscal Authority on request, if

- a) they limit the payment of dividends to the projected income referred to in Art. 5 on the capital not received in the form of donations from third parties;
- b) their statutes do not allow the payment of bonuses;
- c) they serve common-benefit purposes to the exclusion of any commercial activity; and
- d) in the event of dissolution of the legal person, their statutes assign the assets remaining after repayment of the capital not received in the form of donations from third parties to similar purposes.

2) Legal persons referred to in Art. 44 (1) which pursue non-profit-making goals shall also be granted exemption from corporate earnings tax by the Fiscal Authority on request. The tax exemption shall not apply to net income generated from commercial undertakings operated by such legal persons, if such operations generate total income in excess of 300 000 Francs.<sup>70</sup>

#### Art. 46

##### *Time limits on tax liability*

1) The tax liability shall commence:

- a) upon establishment of the legal person or when it relocates its registered office or effective place of management to Liechtenstein (unlimited tax liability); or

<sup>69</sup> Art. 44 (3) d) inserted by LGBL 2016 no. 524.

<sup>70</sup> Art. 45 (2) inserted by LGBL 2012 no. 303. The provisions set out in (2) shall apply for the first time to the assessment for the 2011 tax year (LGBL 2012 no. 303).

- b) at the time when domestic income is generated or when the permanent establishment is entered in the Commercial Register (limited tax liability).<sup>71</sup>
- 2) The tax liability shall end:
- a) upon conclusion of the liquidation process or upon relocation of the registered office or effective place of management abroad (unlimited tax liability); or
- b) when domestic income ceases to be generated or the permanent establishment is removed from the Commercial Register (limited tax liability).<sup>72</sup>

## 2. Determination of taxable net income

### Art. 47

#### *Objective tax liability*

1) Corporate earnings tax is determined on the basis of the taxable net income, which in turn shall be determined on the basis of the annual financial statements to be drawn up in accordance with the provisions of the Liechtenstein Persons and Companies Act, taking into account the provisions set out below; annual financial statements drawn up in accordance with international accounting standards pursuant to Art. 1139 PGR are excluded.<sup>73</sup>

2) Art. 14 (4) shall apply *mutatis mutandis*.

3) Subject to (4) and (5) the taxable net income shall consist of total income less commercially justified expenses. Taxable net income shall include, in particular:

- a) the balance of the profit and loss statement;
- b) all elements of the operating result that were excluded in the calculation of the balance of the profit and loss statement, that were not used to cover commercially justified expenses;
- c) depreciations, value adjustments and reserves, insofar as these have no commercial justification;

<sup>71</sup> Art. 46 (1) b) amended by LGBL 2013 no. 6.

<sup>72</sup> Art. 46 (2) b) amended by LGBL 2013 no. 6.

<sup>73</sup> Art. 47 (1) amended by LGBL 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

- c<sup>bis</sup>) realised and unrealised losses from holdings in legal entities;<sup>74</sup>
- d) allocations to the reserve fund, insofar as these are not commercially justified, subject to any tax-privileged provisions referred to in Art. 60;
- e) profits and undisclosed profit distributions distributed to the members or shareholders of the business, or to holders of non-membership profit-sharing rights (participation certificates, founder's shares) or persons in a close relationship to them;
- f) tax expenses;
- g) payments for the transfer of borrowed funds to associated undertakings and shareholders or persons in a close relationship to them, insofar as in terms of amount such payments do not at the very least adhere to the arm's length principle referred to in Art. 49;
- h) voluntary cash payments to legal persons and special asset endowments having their registered office in Liechtenstein, that are exempt from tax liability in view of their irrevocable and exclusive common-benefit purposes referred to in Art. 4 (2), provided that they exceed 10 % of the taxable net income before application of Art. 57 and 58. This shall apply mutatis mutandis with reference to legal persons and special asset endowments having their registered office in another Member State of the European Economic Area or Switzerland, which are exempt from tax liability in view of their exclusive and irrevocable common-benefit purposes in their state of registration and also meet the conditions for an application pursuant to Art. 4 (2) in this respect;
- i) fines, financial penalties and similar legal consequences of a financial nature, provided that the concept of sanction is the overriding consideration;
- k) payments referred to in §§ 307, 307a, 307b, 308 and 309 of the Criminal Code;<sup>75</sup>
- l) for investments in undertakings for collective investment in transferable securities pursuant to the UCITSG, by investment undertakings pursuant to the IUG and in alternative investment funds pursuant to the AIFMG or in comparable accumulative undertakings for collective investment established under the law of another state: the annual realised income of the respective undertaking or investment fund.<sup>76</sup>

<sup>74</sup> Art. 47 (3) c<sup>bis</sup>) inserted by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>75</sup> Art. 47 (3) k) amended by LGBl. 2016 no. 163.

<sup>76</sup> Art. 47 (3) l) amended by LGBl. 2016 no. 48.

4) The following are not counted as net taxable income:

- a) capital contributions of members of capital companies and cooperatives, including premiums and non-recoverable payments;
- b) capital growth from inheritance, bequest or gifts;
- c) contributions to foundations, establishments structured in a similar way to foundations and special asset endowments with legal personality, by the founder and beneficiaries.<sup>77</sup>

5) When their taxable net income is determined, taxpayers with limited tax liability may only claim deductions insofar as these have a direct commercial connection to the domestic income as referred to in Art. 44 (3).

6) Corporate earnings tax is an annual tax. The assessment basis for corporate earnings tax is to be determined for each calendar year (tax year). If unlimited or limited tax liability does not exist for a full calendar year, the period of actual tax liability shall replace the calendar year. Taxpayers whose accounting period does not coincide with the calendar year, shall declare their taxable net income based on the results of the past financial year.

7) The Government shall establish more specific details concerning taxable net income by Ordinance.

#### Art. 48

##### *Tax-exempt corporate income*

1) The following shall not be counted as taxable net income for taxpayers with unlimited tax liability:

- a) income from the exploitation of land abroad used for agriculture and forestry and from any other agricultural or forestry production abroad;
- b) income from permanent establishments abroad;
- c) Rental and leasing income from real estate located abroad;
- d) domestic capital gains on real estate, insofar as such gains are subject to real estate capital gains tax in Liechtenstein, and capital gains from the sale of foreign real estate;
- e) dividends from holdings in legal entities;<sup>78</sup>

<sup>77</sup> Art. 47 (4) c) amended by LGBl. 2014 no. 344.

<sup>78</sup> Art. 48 (1) e) amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

- e<sup>bis</sup>) distributions from foundations, establishments with a similar structure to foundations and special asset endowments with legal personality;<sup>79</sup>
- f) capital gains from the sale or liquidation of holdings in legal entities and unrealised capital gains from such holdings;<sup>80</sup>
- g) income from the managed assets of undertakings for collective investment in transferable securities pursuant to the UCITSG, of investment undertakings pursuant to the IUG, of alternative investment funds pursuant to the AIFMG, or similar undertakings for collective investment established under the law of another state;<sup>81</sup>
- h) income from the net assets of legal persons subject to the Pension Funds Act, insofar as these assets are exclusively and irrevocably allocated to occupational retirement provision.

2) The following shall not be counted as taxable net income for taxpayers with limited tax liability:

- a) domestic capital gains on real estate, insofar as such gains are subject to real estate capital gains tax in Liechtenstein;
- b) dividends from holdings in legal entities;<sup>82</sup>
- c) distributions from foundations, establishments structured in a similar way to foundations and special asset endowments with legal personality;<sup>83</sup>
- d) capital gains from the sale or liquidation of holdings in legal entities and unrealised capital gains from such holdings;<sup>84</sup>

3) In derogation from (1) e) and e<sup>bis</sup>) and (2) b) and c) dividends and distributions are counted as taxable net income:<sup>85</sup>

- a) in the case of holdings of at least 25 % of the votes or the capital, or alternatively in the case of beneficial interests, if the dividends and/or distributions can be claimed as an expense against tax by the legal entity providing the dividend or distribution; or

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<sup>79</sup> Art. 48 (1) e<sup>bis</sup>) inserted by LGBl. 2013 no. 202.

<sup>80</sup> Art. 48 (1) f) amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>81</sup> Art. 48 (1) g) amended by LGBl. 2016 no. 48.

<sup>82</sup> Art. 48 (2) b) amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>83</sup> Art. 48 (2) c) amended by LGBl. 2014 no. 344.

<sup>84</sup> Art. 48 (2) d) amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>85</sup> Art. 48 (3) inserted by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

- b) in the case of holdings and beneficial interests, if:
1. more than 50% of the total earnings of the foreign legal entity providing the dividend or distribution is permanently made up of unearned income, unless this income is achieved in the course of an actual commercial business of the providing legal entity; and
  2. the net income of the foreign providing legal entity is directly or indirectly subject to a low rate of taxation. A low rate of taxation is understood as:
    - aa) in the case of holdings of less than 25 % of the votes or the capital, or alternatively in the case of beneficial interests, a deduction of corporate earnings tax at a rate that is less than half the rate of taxation in Liechtenstein pursuant to Art. 61;
    - bb) in the case of holdings of at least 25 % of the votes or the capital, an effective deduction of corporate earnings tax of less than 50 % of the corporate earnings tax charge in an equivalent situation in Liechtenstein in accordance with the provisions of this Act.
- 4) Unearned income as referred to in (3) b) no. 1 is understood as:<sup>86</sup>
- a) interest or similar income from financial assets, royalties or other revenue from intellectual property and income from financial leasing;
  - b) dividends from holdings in or distributions from foreign legal entities, in which more than 50 % of their total income is made up of unearned income as defined in a) subject to lower taxation as defined in (3) b) no. 2 and insofar as this income is not achieved in the course of an actual commercial business;
  - c) capital gains from the sale or liquidation of holdings in foreign legal entities and unrealised capital gains from such holdings, provided these entities meet the requirements outlined in b).
- 5) Total earnings as referred to in (3) b) no. 1 are understood as all income achieved by the foreign legal entity without taking into account expenditure and deductions. Net income as referred to in (3) b) no. 2 is understood as all earnings directly or indirectly achieved by legal entities with the addition of the relevant foreign corporate earnings tax (prior charge).<sup>87</sup>

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<sup>86</sup> Art. 48 (4) inserted by LGBL. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>87</sup> Art. 48 (5) inserted by LGBL. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

6) In derogation of (1) f) and (2) d) capital gains are counted as taxable net income if they refer to the sale or liquidation of holdings in foreign legal entities, if their dividends in connection with holdings equivalent to (3) b) are counted as taxable net income. This shall also apply to unrealised capital gains.<sup>88</sup>

7) When claiming for tax-free earnings in accordance with (1) e) to f) and (2) b) to d) taxpayers shall demonstrate in all cases that the conditions set out in (3) to (6) have not been fulfilled.<sup>89</sup>

Art. 49<sup>90</sup>

*Arm's length principle*

1) If a taxpayer's income or expenditure arising from a business relationship with related persons or with a permanent establishment varies because the underlying conditions were different from the conditions that would have been agreed by unconnected third parties under otherwise identical conditions, for the purpose of determining taxable net income, the income and expenditure are to be estimated according to the conditions that would have applied in a relationship between unconnected third parties.

2) Taxpayers shall be obliged to provide documentary evidence that the transfer pricing of significant transactions with related persons and permanent establishments is appropriate.

3) The Government shall settle more specific details by Ordinance, in particular the determination of the transfer pricing and the type and form of documentary evidence.

Art. 50

*Replacement purchases*

1) If an operating asset is withdrawn from the business assets, the undisclosed reserves may be transferred to an asset (replacement), if:

- a) the asset is an operating asset that is directly used in and fundamental to the business, excluding in particular, assets that serve the undertaking only as an investment or solely through the income they generate,

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<sup>88</sup> Art. 48 (6) inserted by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>89</sup> Art. 48 (7) inserted by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>90</sup> Art. 48 amended by LGBl. 2016 no. 524.

as well as holdings and real estate, insofar as the profit from the sale of the real estate is subject to real estate capital gains tax;

- b) replacement of the asset was essential for financial, legal, technical or practical reasons; and
- c) the undisclosed reserves in the replacement are subject to taxation in Liechtenstein.

2) If the replacement purchase does not take place within the same financial year, a specific provision may be established for the same amount as the undisclosed reserves. This specific provision shall be used for depreciation on the replacement value within a reasonable set period of time or dissolved and allocated to the taxable net income.

3) If the taxpayer receives compensation for an operating asset that has been damaged as a result of an event of force majeure or an official intervention, a specific provision may be established for the amount of the compensation, if the asset is not repaired until a subsequent financial year. The specific provision is to be dissolved in full at the time of repair and allocated to the taxable net income.

#### Art. 51

##### *Limitation of the right of taxation*

1) If the domestic right of taxation in respect of profit from the sale or use of an asset is excluded or limited through the action of the taxpayer, the asset shall be deemed to have been sold or transferred at the arm's length price.

2) If the exclusion or limitation of the domestic right of taxation is due to the transfer of an asset to a permanent establishment abroad or due to the taxpayer moving abroad, or relocation of the registered office abroad, the tax shall be deferred free of interest until actual realisation, provided that the enforcement of the tax claim is guaranteed. Any depreciations arising in the meantime shall be taken into account up to the maximum extent of the assessment basis referred to in (1) and only insofar as they are not taken into account in any other state. The taxpayer shall demonstrate every year that the conditions for the deferral referred to in the first sentence have been met; in the event of depreciation in an actual sale, the taxpayer shall demonstrate that the loss has not been taken into account abroad.

3) If the domestic right of taxation in respect of profit arises from the sale or use of an asset, the asset shall be deemed to be acquired or used at the arm's length price.

## Art. 52

*Restructuring measures*

1) Undisclosed reserves of a legal person (undertaking) are not subject to taxation in the case of the restructuring measures listed below, provided that the domestic right of taxation continues to apply and the accepting company continues the values previously relevant to corporate earnings tax. The following shall be defined as restructuring measures within the context of this article:

- a) conversion into another legal person or into a company without legal personality (change of form);
- b) transfer of assets through splitting or demerger to one or more other legal person, provided that one division of the business is transferred to each accepting undertaking and in the case of demerger, one division of the business remains with the transferring undertaking;
- c) merger;
- d) bringing in businesses or divisions of business and participations in domestic or foreign legal persons held in the operating assets, as a contribution.

2) In its valuation the accepting company shall not be bound by the valuation used for the calculation of its profit under commercial law.

3) If due to a restructuring measure referred to in (1), the domestic right to taxation ceases to apply, Art. 51 (2) shall apply mutatis mutandis.

4) In the cases referred to in (1) a) to c), the accepting undertaking shall take over the legal status of the transferring undertaking for tax purposes; this shall also apply with reference to the allowance for losses referred to in Art. 57. In the cases referred to in (1) b), any loss of the transferring undertaking carried forward shall be transferred in proportion to the asset position being transferred.

5) If a consideration is paid in the cases referred to in (1) c) and d), in any form other than in shares of the accepting undertaking, the accepting undertaking shall assess the value of the assets contributed at no less than the value of the consideration.

6) For the accepting undertaking, any profit or loss to the value of the difference between the value of the shares in the transferring undertaking, that has up to that point been relevant for the purposes of corporate

earnings tax, and the transfer value of the transferred assets and liabilities shall not be taken into account.<sup>91</sup>

7) If the profit of the accepting undertaking is increased because the transfer of assets leads to the cancellation of receivables and liabilities between the transferring and accepting undertaking, or to the writing back of specific provisions, the accepting company may set up a specific provision for the purpose of reducing the taxable profit to that extent. In each of the three years following its formation, the provision shall be written back by at least one third and included in the taxable net income.

8) For shareholders of the transferring undertaking who become shareholders of the accepting undertaking in the course of a restructuring exercise, the shares in the transferring undertaking shall be deemed to be sold at the value previously relevant for the purposes of corporate earnings tax and the shares that replace them shall be deemed to have been purchased at that value. In the cases referred to in (1) d), the shares received through the contribution of assets are to be valued by the shareholder at the value of the contributed assets that previously applied for the purposes of corporate earnings tax.<sup>92</sup>

9) The value of the income and assets of the transferring undertaking and of the accepting undertaking is to be determined as if the assets of the transferring undertaking had been transferred, in full or in part, to the accepting undertaking at the end of the effective reporting date of the balance sheet on which the transfer is based. This reporting date may be a maximum of eight months prior to the application for the restructuring measure to be entered in the Commercial Register or, if registration is not required, a maximum of eight months before the conclusion of the transfer agreement.<sup>93</sup>

10) Upon sale of a holding acquired in the past five years through a process as set out in (1) d), at a price below the market value at the time, the undisclosed reserves transferred, reduced by one fifth for every full year after the effective date of transfer for tax purposes, shall be taxed in retrospect. This shall apply mutatis mutandis to transactions that, unlike in the case of a sale, result from a commercial point of view in the non-taxable realisation in Liechtenstein of the undisclosed reserves contained in the shares received, as well as procedures referred to in Art. 51 (1), unless a deferral is to be granted pursuant to Art. 51 (2). The shareholder shall

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<sup>91</sup> Art. 52 (6) amended by LGBL 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>92</sup> Art. 52 (8) amended by LGBL 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>93</sup> Art. 52 (9) amended by LGBL 2013 no. 6.

demonstrate every year that the circumstances referred to in this paragraph have not arisen.

Art. 53<sup>94</sup>

Repealed

Art. 54

*Interest Deduction on Equity*

1) An adequate return on the modified equity in the amount of the projected income as referred to in Art. 5 (interest deduction on equity) shall also be deemed commercially justified expenditure. The interest deduction on equity may not give rise to or increase a current loss.<sup>95</sup>

2) Modified equity shall include paid in nominal capital, share capital and reserves. The following are to be deducted from this amount:<sup>96</sup>

- a) own shares;
- b) holdings in legal persons;
- c) assets that are not essential to business operations;
- d) a deduction of 6% of all assets, excluding the assets referred to in a) to c).

The valuation shall be conducted at the beginning of the financial year and shall take into account the additions and disposals that took place during the current financial year. If the modified equity has a negative value the interest deduction on equity shall be 0 Francs.

3) Where receivables are due from shareholders, founders and beneficiaries, as well as persons related with them, for which the interest is below the equity interest rate, the interest deduction on equity determined in accordance with (1) and (2) shall be reduced by the difference between the actual interest and the interest calculated according to the equity interest rate. However no deduction shall be made insofar as the receivables are derived from the principal operating activity of the legal person.<sup>97</sup>

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<sup>94</sup> Art. 53 repealed by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>95</sup> Art. 54 (1) amended by LGBl. 2013 no. 202.

<sup>96</sup> Art. 54 (2) amended by LGBl. 2014 no. 344.

<sup>97</sup> Art. 54 (3) amended by LGBl. 2014 no. 344.

4) If holdings in legal entities that claim an interest deduction on equity in accordance with the provisions of the Act or a deduction similar in effect, are financed by borrowing, a tax-affecting set-off shall be effected to the extent of the projected income of this borrowing, but to a maximum of the interest deduction on equity applied by the holding. The relevant borrowing is determined by the deduction of own shares and holdings referred to in clause 1 from equity referred to in (2) clause 1.<sup>98</sup>

5) In the case of the following transactions the interest deduction on equity is not granted unless the taxpayer can demonstrate that the transactions were not effected for tax purposes but for commercial or otherwise significant reasons:<sup>99</sup>

- a) Cash and non-cash contributions from closely connected persons, unless already covered by (2) c);
- b) Income from businesses or business units that are held by associated undertakings;
- c) Transfer of holdings to or from closely connected persons.

6) The Government shall settle more specific details by Ordinance.<sup>100</sup>

Art. 55<sup>101</sup>

Repealed

Art. 56

*Merchant vessels*

Insofar as the income is derived from the operation of merchant vessels, it shall be possible to apply for a derogation from the provisions of this Chapter with reference to the procedure for determining the taxable net income. The Government shall settle more specific details by Ordinance.

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<sup>98</sup> Art. 54 (4) amended by LGBL 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>99</sup> Art. 54 (5) inserted by LGBL 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>100</sup> Art. 54 (6) inserted LGBL 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

<sup>101</sup> Art. 55 repealed by LGBL 2016 no. 524.

## Art. 57

*Losses*

1) Positive taxable net income for the year shall be reduced by the loss brought forward, but by a maximum of 70 % of the taxable net income. The loss carried forward at the end of the year is the loss brought forward at the end of the previous year, increased by any loss and reduced by any amount offset in accordance with line 1.<sup>102</sup>

1a) The limitation set out in (1) shall not apply to tax years in which:<sup>103</sup>

- a) the taxpayer is in liquidation; or
- b) all assets of the legal person are subject to the provisions of Art. 51 (1).

2) Losses from a foreign permanent establishment may be offset against the taxable net income, provided that these losses have not already been taken into account in the state in which the permanent establishment is situated or another state. If the permanent establishment should record profits in the following years, that profit shall be added to the taxable net income, to a maximum of the amount of the losses previously set off against taxable net income; the taxpayer shall be obliged to demonstrate every year that no circumstances that would justify the collection of back tax have arisen. Profits shall be added within five years from when the loss was offset, or at the time at which the unlimited tax liability ceases at the latest; whichever is earlier shall apply.<sup>104</sup>

## Art. 58

*Group taxation*

1) Upon application, associated legal persons may form a group of undertakings in accordance with (2) and set off the losses incurred within the group in the course of one year against the profits achieved in the same year. The losses shall be set off by attributing the loss of the group members to the lead undertaking or, insofar as a loss remains after setting off any attributable losses against the taxable net income of the lead undertaking, the loss of the lead undertaking to a group member that is subject to unlimited tax liability in Liechtenstein. The loss shall be attributed in proportion to the existing direct holding of the lead undertaking attributable to operating assets in Liechtenstein, in the nominal, share or equity capital of each group member (equity interest). The losses attributable to

<sup>102</sup> Art. 57 (1) amended by LGBl. 2013 no. 202.

<sup>103</sup> Art. 57 (1a) inserted by LGBl. 2024 no. 483.

<sup>104</sup> Art. 57 (2) amended by LGBl. 2014 no. 344.

one group member shall be limited to the proportion of the taxable net income of that group member corresponding to the equity interest. Any loss brought forward of a group member existing before submission of the application may not be attributed to the lead undertaking or one group member, but may only be offset against the positive taxable net income of the group member which has incurred the losses.

2) Legal persons shall be deemed associated if a legal person having its registered office or place of effective management in Liechtenstein (lead undertaking) has since the beginning of its financial year, without interruption, directly or indirectly held more than 50 % of the voting rights and more than 50 % of the rights to the nominal, share or equity capital of one or more other domestic or foreign legal persons (group members). A legal person with neither a registered office nor a place of effective management in Liechtenstein may only be a lead undertaking for the purposes of (4) if it does not maintain a registered branch in Liechtenstein, to which the shares are financially attributable; the rights and obligations arising from group taxation shall in such a case pertain to the domestic branch. Legal persons that have essentially ceased operations may not be a lead undertaking or group member.

3) The application to form a group of undertakings must name the lead undertaking and all the group members to be included. It is not necessary for all associated legal persons within the meaning of (2) to become group members. The lead undertaking and the group members must apply the same financial year.

4) The relevant results of the group members shall be determined on the basis of the provisions of this Law relating to the determination of the taxable net income.<sup>105</sup>

5) If the equity interest in a group member is reduced, the losses attributed, and not yet offset of this group member shall be attributed to the taxable net income of the company in respect of which the loss attribution has become relevant for tax purposes, in proportion to the reduction in the equity interest. This shall apply *mutatis mutandis* to the reduction of the equity interest in a group member to which losses have been attributed.<sup>106</sup>

6) If a group member or the lead undertaking is, or would be able to offset losses from previous years with its own taxable net income, the tax-

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<sup>105</sup> Art. 58 (4) amended by LGBl. 2014 no. 344.

<sup>106</sup> Art. 58 (5) amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

able net income of the company to which these losses have been attributed in previous financial years in a way that is relevant to taxation, shall be increased pursuant to (1) line 3 and 4 up to the amount of these losses, insofar as they have not yet been offset pursuant to (5).

7) Attributed losses of a group member which at the end of the financial year of the lead undertaking is no longer a group member, shall be attributed to the taxable net income of the company in respect of which the attribution of loss has become relevant for tax purposes, provided they have not yet been offset in accordance with (5) or (6). At any time at which the conditions for group taxation cease to exist, all attributed losses of the group members are to be attributed to the taxable net income of the company in respect of which the attribution of losses has become relevant for tax purposes, provided they have not yet been offset in accordance with (5) or (6) or line 1.

8) Losses attributed to a group member that have not yet been offset pursuant to (5), (6) or (7) shall be attributed to the taxable net income of that company, provided that this company is no longer a group member at the end of the financial year of the lead undertaking. The taxable net income of the lead undertaking shall be reduced by this amount.

9) The lead undertaking shall provide evidence to the Fiscal Authority every year that the circumstances set out in (5) to (8) that would lead to the collection of back tax have not arisen. Even if the circumstances set out in (5) to (8) have not arisen, an attribution shall take place within five years from offsetting the loss at the latest.<sup>107</sup>

10) The Government shall settle more specific details by Ordinance.

#### Art. 59

##### *Special accounting rules*

1) To the extent required by the tax-neutral application of special accounting rules, depreciations, value adjustments, replacement purchases, valuations due to restructuring measures and tax-privileged provisions that cannot be entered on annual financial statements drawn up in accordance with these accounting rules, may also be taken into account in the determination of the taxable net income.

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<sup>107</sup> Art. 58 (9) amended by LGBl. 2014 no. 344.

2) By Ordinance, the Government shall establish the conditions for and the extent of these depreciations, value adjustments and provisions, as well as the taxpayers' duty of cooperation.

Art. 60

*Tax-privileged provisions*

1) If the financial circumstances require it, the Government may, by Ordinance, fully or partially exempt tax-privileged provisions earmarked for the purpose of establishing job creation reserves and research and development funds from corporate earnings tax.

2) The Government shall establish more specific provisions concerning the purpose, use, management and control of the tax-privileged provisions and their permissible amount and relationship to income by Ordinance.

**3. Tax calculation**

Art. 61

*Tax rate*

The rate of corporate earnings tax shall be 12.5 % of the taxable net income.

Art. 62

*Minimum corporate earnings tax*

1) Legal persons with limited or unlimited tax liability, for whom tax is not settled by means of a deduction at source (Art. 63a (3)), shall be subject to a minimum corporate earnings tax, which shall be due in the relevant tax year, irrespective of the duration of the tax liability. This shall be fully allowable against corporate earnings tax.<sup>108</sup>

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<sup>108</sup> Art. 62 (1) amended by LGBL 2016 no. 524.

2) The minimum corporate earnings tax shall be 1 800 Francs and shall be payable on the basis of assessment. For taxpayers for whom no assessment is conducted it shall be paid for one year in advance.<sup>109</sup>

3) No minimum corporate earnings tax shall be collected for taxpayers whose purpose is exclusively to operate a business conducted along commercial lines and whose balance sheet has not exceeded 500 000 Francs over the average of the last three years.

Art. 63<sup>110</sup>

*Avoidance of double taxation*

1) Insofar as an applicable agreement to avoid double taxation exists or reciprocity is granted, Art. 22 shall apply mutatis mutandis.

2) If no agreement to avoid double taxation exists, a transfer pricing adjustment by a foreign tax authority for transactions between associated undertakings and parent companies and permanent establishments shall be taken into account upon request in the determination of the taxpayer's taxable net income to the extent of the adjustment made abroad. An adjustment shall be made only if the taxpayer can demonstrate that:

- a) the taxpayer was entitled to assume that the originally agreed transfer price complied with the arm's length principle pursuant to Art. 49; and
- b) the adjustment made by the foreign tax authority complies with the arm's length principle pursuant to Art. 49 and this correction was appropriately contested abroad.

3) If, in the case of transactions between domestic taxpayers with a close relationship, an adjustment is made for the performing taxpayer that increases the taxable net income, the adjustment made shall be taken into account upon request in the determination of the taxable net income of the receiving taxpayer, provided that the receiving taxpayer can demonstrate that it was entitled to assume that the originally agreed transfer price complied with the arm's length principle pursuant to Art. 49.

4) The Government shall establish more specific regulations by Ordinance, especially concerning the evidence that must be provided under (2) and (3).

<sup>109</sup> Art. 63 amended by LGBl. 2024 no. 483.

<sup>110</sup> Art. 63 amended by LGBl. 2024 no. 483.

### 3a. Deduction of tax at source<sup>111</sup>

#### Art. 63a<sup>112</sup>

- 1) Earnings referred to in Art. 44 (3) d) shall be subject to deduction of tax at source.
- 2) The gross income from the remuneration shall be used as a basis for calculating the tax deduction.
- 3) The tax deduction shall be 12 % of the earnings referred to in (2). The corporate earnings tax is settled through the tax deduction; an assessment in accordance with (5) is reserved.
- 4) Art. 27, 28 (2), (3) a) and (4) and Art. 29 shall apply mutatis mutandis.
- 5) An assessment in accordance with standard procedure shall be conducted on request. If the standard assessment procedure is applied, commercially justified expenditure that has a direct commercial connection to this income may be deducted. Art. 16 (2) c<sup>bis</sup>) shall apply mutatis mutandis.

### 4. Private asset structures

#### Art. 64<sup>113</sup>

##### *Requirements and taxation*

- 1) Private asset structures shall be all legal persons:
  - a) who in the pursuit of their objective do not perform any commercial activity, in particular if they exclusively acquire, hold, manage and sell financial instruments as referred to in Art. 4 (1) no. 10 of the Asset Management Act and holdings in legal persons, liquid funds and bank balances;<sup>114</sup>

<sup>111</sup> Heading before Art. 63a inserted by LGBl. 2016 no. 524.

<sup>112</sup> Art. 63a inserted by LGBl. 2016 no. 524.

<sup>113</sup> Art. 64 comes into effect on 1 March 2011 (LGBl. 2011 no. 67).

<sup>114</sup> Art. 64 (1) a) amended by LGBl. 2020 no. 7.

- b) whose shares or units have not been offered publicly and are not traded on a stock exchange and the possession of which is reserved for the investors referred to in (3), or in respect of which no investors other than those referred to in (3) have a beneficial interest;
- c) that do not advertise for shareholders or investors and do not receive remunerations or reimbursement of costs from them, or from third parties, for their activity referred to in a); and
- d) whose articles of incorporation indicate that they are subject to the restrictions applying to private asset structures.

2) A private asset structure may hold holdings as defined in (1) a) only on the condition that it, or its shareholders or beneficiaries, do not exercise actual control over the management of these companies through direct or indirect influence.

3) An investor for the purposes of this article shall be:

- a) a natural person, acting within the context of management of his or her private assets;
- b) an asset structure acting exclusively in the interests of the private assets of one or more natural person; or
- c) an intermediary person acting on behalf of investors as defined in a) or b).

4) The taxpayer shall confirm fulfilment of the requirements set out in (1) to (3) and compliance with the accounting obligation pursuant to Art. 1045 et seq. PGR to the Fiscal Authority when applying for the status as a private asset structure and on an annual basis.<sup>115</sup>

5) Upon presentation of the required confirmation as referred to in (4), the Fiscal Authority shall decide whether status as a private asset structure can be granted. The taxpayer may object to this decision in accordance with Art. 117, within 30 days.

6) The Fiscal Authority shall be responsible for verifying the status as a private asset structure. It shall in particular be entitled and required to verify compliance with the requirements set out in (1) to (3).<sup>116</sup>

7) The Government shall regulate the details by Ordinance, in particular the deadlines for the submission of the confirmation and the form it

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<sup>115</sup> Art. 64 (4) amended by LGBl. 2022 no. 232. It shall become applicable in this form for the first time to financial years beginning after 31 December 2022.

<sup>116</sup> Art. 64 (6) amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

should take in accordance with (4), the procedure for verification in accordance with (6) and the levying of fees.

8) Private asset structures shall be exclusively subject to minimum corporate earnings tax as referred to in Art. 62 (1) and (2) and are not subject to assessment.

### 5. Special endowments of assets with no legal personality

#### Art. 65

##### *Taxation*

1) Special asset endowments with no legal personality established under Liechtenstein Law or having their effective place of management in Liechtenstein shall, subject to the provisions of (2), be exclusively liable to the minimum corporate earnings tax in accordance with Art. 62 (1) and (2) and are not subject to tax assessment.<sup>117</sup>

2) Special asset endowments with no legal personality that have a limited liability to taxation on the basis of their earnings in Liechtenstein as referred to in Art. 44 (2), shall be subject to the minimum corporate earnings tax referred to in Art. 62 (1) and (2).

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<sup>117</sup> Art. 65 (1) amended by LGBL 2014 no. 344.

## **F. Formation tax and tax on insurance premiums**

### **1. Formation tax**

Art. 66

#### *Object and amount*

1) A formation tax at the rate of 1 % of capital, applying a general exemption threshold of 1 million Francs, shall be levied on the foundation, establishment or increase in the capital of legal persons pursuant to Art. 44, or relocation of their registered office to Liechtenstein, provided that Swiss stamp duty legislation does not apply. For capital in excess of five million Francs, the rate shall be reduced to 0.5 %, and to 0.3 % for capital in excess of ten million Francs. The capital established in the articles of incorporation shall be used as a basis. The provisions of (3) are reserved.

2) The formation tax shall also be levied in the event of change of ownership of participation rights in legal persons that have been financially liquidated or that have been returned to liquidity.

3) Foundations and asset endowments with no legal personality shall pay a formation tax of 2 ‰ of the capital referred to in (1), but a minimum of 200 Francs.

### **2. Tax on insurance premiums**

Art. 67

#### *Basic principle*

Unless Swiss legislation on stamp duty applies, a tax shall be levied on insurance premiums in accordance with the following provisions.

Art. 68

#### *Subject of taxation*

The tax shall be levied on premiums paid on the basis of an insurance relationship established under a contract or by other means, provided that the insured risk is located in Liechtenstein.

## Art. 69

*Exceptions*

Premium payments in respect of the following shall be exempt from tax:

- a) life assurance policies with no surrender value and also life insurance policies having a surrender value with regular payment of premiums. The Government shall establish the required limits by Ordinance;
- b) life assurance policies insofar as they are established for the purpose of occupational pension provision as defined in the Law on Occupational Pensions;
- c) sickness and invalidity insurance;
- d) accident insurance;
- e) transport insurance for goods;
- f) insurance for damage to cultivated land and crops caused by natural hazards;
- g) unemployment insurance;
- h) hail insurance;
- i) livestock insurance;
- k) reinsurance.

## Art. 70

*Tax liability*

Insurance undertakings that conduct insurance business in Liechtenstein shall be liable to tax (insurers).

## Art. 71

*Tax rates and basis for calculation*

1) The tax shall be 5 % of the cash premium, and 2.5 % of the cash premium in the case of life assurance.

2) If the amount used as a basis for calculation of tax is denominated in a foreign currency, it shall be converted into Francs on the date the tax claim arises.

## Art. 72

*Refund*

If the levy of tax on insurance premiums is in contravention of Art. 46 (2) of Council Directive 92/49/EEC of 18 June 1992 on the coordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance (EEA Compendium of Laws; Annex IX - 7a.01) or in contravention of Art. 50 (1) of Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance (EEA Compendium of Laws: Annex IX - 11.01), the tax levied in this respect shall be refunded to the insurer.

**III. Municipal Taxes****A. Share of the municipalities in national taxes**Art. 73<sup>118</sup>

Repealed

## Art. 74

*Corporate earnings tax*

1) Insofar as the corporate earnings tax exceeds the minimum corporate earnings tax amount, the municipality in which the legal person has its registered office or its permanent establishment shall receive a share of 35 % of that corporate earnings tax.<sup>119</sup>

2) If the share of one municipality exceeds 25 % of the total shares of all municipalities, the share of that municipality will be reduced accordingly.<sup>120</sup>

3) If the registered office and permanent establishment are situated in different municipalities, the share shall be divided between these municipalities, with the municipality in which the registered office is situated receiving a priority share of 20 %, in addition to any share due in accordance with (4). If the legal person however does not develop any business or any

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<sup>118</sup> Art. 73 repealed by LGBl. 2011 no. 217.

<sup>119</sup> Art. 74 (1) amended by LGBl. 2011 no. 217.

<sup>120</sup> Art. 74 (2) amended by LGBl. 2011 no. 217.

significant business at its registered office, the share of the municipality in which the registered office is situated may be reduced or possibly no share at all will be allocated.

4) If the same legal person has a permanent establishment in several different municipalities, the permanent establishment share shall be calculated taking into account the assets situated in the individual municipalities, or the number of people employed there, or on the basis of a figure relevant to the line of business involved.

4a) In the case of a group of companies, whose member companies in Liechtenstein have close financial ties, the criteria for the division pursuant to (3) and (4) shall be applied to the consolidated figures.<sup>121</sup>

5) The Fiscal Authority shall determine the distribution between the municipalities in the cases referred to in (3) and (4). At the request of a municipality affected by the distribution, the Fiscal Authority shall provide information about the percentage of the share of the municipality in which the registered office is situated pursuant to (3) and the percentage distribution of the municipality share to the municipalities affected pursuant to (4).

## **B. Municipal surcharge on property and income tax**

### Art. 75

#### *Basic principle*

1) In the case of taxpayers with unlimited tax liability and those with a limited liability having an income pursuant to Art. 6 (5) a), b) and g), a municipal surcharge will be levied in respect of the national property and income tax, including the endowment tax referred to in Art. 13.<sup>122</sup>

2) No surcharge shall be levied on the tax deducted at source in accordance with Art. 25.

3) The rate of this surcharge shall be determined every year as a percentage of the national tax by the municipal council, but it may be neither lower than 150 %, nor higher than 250 %.

<sup>121</sup> Art. 74 (4a) inserted by LGBl. 2013 no. 367.

<sup>122</sup> Art. 75 (1) amended by LGBl. 2014 no. 344. The distribution of tax receipts in the case of taxpayers with a limited tax liability between the State and the municipalities pursuant to Art. 75 (1) shall apply for the first time to the tax receipts of the 2014 tax year (LGBl. 2014 no. 344).

4) The surcharge will be collected together with the national tax.

Art. 76

*Place of taxation*

The collection of the municipal surcharge shall be the responsibility of the municipality, which in accordance with Art. 101, is competent to participate in the assessment and to collect the national tax.

Art. 77

*Division of the tax amount*

1) The municipal surcharge shall be divided between several municipalities if:

- a) the taxpayer changes residence in the course of the tax year, in which case the municipalities concerned shall share the surcharge in proportion to the length of residence in the individual municipality; however a period of less than three months' residence in one municipality will be disregarded;
- b) the taxpayer's residence and business operations (place of work) are not in the same municipality, in which case the surcharge shall be divided in the ratio of the income pursuant to Art. 14 (2) 1) to the remaining income. The part of the surcharge corresponding to the share of the income referred to in Art. 14 (2) 1) shall be allocated to the municipality of residence, and the part corresponding to the share of the remaining income, to the municipality in which the business operations or place of work are located;
- c) the taxpayer's business operations are located in the territory of several municipalities, in which case the municipalities involved shall share the surcharge in proportion to the extent of the business operations located in the individual municipalities;
- d) a taxpayer owns real estate in a municipality other than the municipality in which he or she resides, in which case the municipality in which the real estate is located shall be entitled to the part of the surcharge resulting from the ratio between the income generated from this real estate pursuant to Art. 14 (2) 1) and the taxpayer's total income.

2) If, in accordance with the above provisions, several municipalities are entitled to a share of the municipal surcharge pertaining to a taxpayer, the surcharge shall be collected by the municipality responsible for collection of the national tax and distributed between the entitled municipalities. The calculation of the surcharge shall be based on the surcharge entitlement quota of the entitled municipalities.

3) The Fiscal Authority shall decide on disputes between the entitled municipalities concerning the division of tax, subject to the right of appeal to the National Tax Commission.

## **IV. Organisation and implementation**

### **A. Organisation**

#### Art. 78

##### *Tax authorities and oversight*

- 1) The tax authorities for the purposes of this Act shall be:
- a) the Fiscal Authority;
  - b) the municipal tax offices;
  - c) the National Tax Commission.
- 2) The Government shall be responsible for supervision of the tax system.

#### Art. 79

##### *Fiscal Authority*

Unless specific tasks are assigned to particular authorities, the Fiscal Authority shall be responsible for the implementation of this Act.

#### Art. 80

##### *Municipal tax office*

- 1) Each municipality shall have a municipal tax office to enable it to fulfil its role in the execution of the provisions concerning property tax

and income tax. This tax office shall be incorporated in the organisation of the municipality for the purposes of administration.

2) The municipal tax office shall be responsible for preparing the tax assessment of the taxpayers who are subject to property tax and income tax. To this end it shall in particular maintain a tax register, record all matters that are significant for the tax assessment and check all self-assessment data provided by taxpayers in the tax returns.

3) The municipal tax office shall assist in the assessment of the taxpayers who are subject to property tax and income tax, by preparing recommendations for the assessment.

4) The Fiscal Authority shall issue the necessary instructions and guidelines for the purposes of this article.

#### Art. 81

##### *National Tax Commission*

1) The National Tax Commission is the appeals body in tax matters and makes decisions in respect of appeals against decisions and orders issued by the Fiscal Authority and the municipal tax offices.

2) The National Tax Commission shall be elected by Parliament for a term of office of four years at a time. Its members shall swear an oath of office before the Government.

3) The National Tax Commission shall consist of five members and three substitute members. The Chairman and Vice-Chairman must be legally qualified and appointed by Parliament. The National Tax Commission shall issue its own rules of procedure.

4) Members of the Government and employees of the Fiscal Authority or the municipal tax offices may not be elected to the National Tax Commission.

5) The provisions of the National Administration Act concerning recusal and responsibility shall apply to members of the National Tax Commission.

## Art. 82

*Costs*

1) The costs of the Fiscal Authority and the National Tax Commission shall be borne by the State.

2) The costs of the municipal bodies arising from their contribution to the execution of the Tax Act shall be borne by the municipality.

**B. General procedural principles****1. Official duties**

## Art. 83

*Official secrecy*

1) Persons engaged in the execution of this Law, or who are consulted for that purpose, shall observe an obligation of confidentiality in respect of the taxpayers' private and professional circumstances of which they gain knowledge in their official capacity and in respect of proceedings within the tax authorities and shall deny third parties access to official files.

2) A breach of official secrecy is permitted within the context of administrative assistance (Art. 84) or the obligation to notify (Art. 85).

## Art. 84

*Administrative assistance*

1) The tax authorities shall be obliged to provide one another with information, free of charge.

2) Courts, administrative authorities of the State and the municipalities, as well as domestic insurance institutions under public law shall be obliged to provide the Fiscal Authority with the information required for the execution of this Law, upon request and at no charge.

3) The tax authorities shall be obliged to provide the Government, the courts, civic mayors and domestic insurance institutions under public law

with information concerning the taxpayers' circumstances, insofar as this is necessary for the official purposes of the requesting entities.<sup>123</sup>

4) The Fiscal Authority shall only be obliged to provide information to other administrative bodies insofar as there is a reason under special legislation and this information is necessary for the official purposes of the requesting entities.

5) The provisions of (4) shall also apply to information and personal data, including personal data concerning criminal convictions and offences, that has been transmitted to the Fiscal Authority, as the competent authority, under international treaties, unless expressly specified otherwise in these treaties.<sup>124</sup>

#### Art. 85

##### *Obligation to notify*

1) Courts, administrative authorities of the State and the municipalities, as well as domestic insurance institutions under public law shall be obliged to notify the Fiscal Authority immediately of violations of the provisions of this Law, of which they become aware in the performance of their official functions and which might lead, or may have already led to an incomplete tax assessment. Confidentiality shall be preserved in respect of professional secrets with statutory protection.

2) The Fiscal Authority shall be obliged to inform domestic insurance institutions under public law and administrative bodies of the State and the municipalities immediately of violations of statutory provisions, of which they have become aware in the performance of their official functions and which may lead, or may have already led to the granting of a state benefit for which there is no entitlement.

3) The provisions of (2) shall also apply to information and personal data, including personal data concerning criminal convictions and offences, that has been transmitted to the Fiscal Authority, as the competent authority, under international treaties, unless expressly specified otherwise in these treaties.<sup>125</sup>

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<sup>123</sup> Art. 84 (3) amended by LGBl. 2020 no. 16.

<sup>124</sup> Art. 84 (5) amended by LGBl. 2018 no. 380.

<sup>125</sup> Art. 85 (3) amended by LGBl. 2018 no 380.

## Art. 86

*Processing and communication of personal data*<sup>126</sup>

1) The tax authorities may process personal data, including personal data concerning criminal convictions and offences, insofar as this is necessary for the performance of their duties under this Act. They may operate an information system for this purpose.<sup>127</sup>

1a) The tax authorities may process information and personal data, including personal data concerning criminal convictions and offences, that has been transmitted to them as the competent authority under international treaties. They may operate an information system for this purpose.<sup>128</sup>

2) The personal data, including personal data concerning criminal convictions and offences, as referred to in Art. 84 and 85 may be communicated verbally or in writing. If regular transmission of data is required, personal data, including personal data concerning criminal convictions and offences, may also be made available by means of a retrieval system.<sup>129</sup>

3) The Government shall settle the details by Ordinance.

**2. Procedural status of spouses**

## Art. 87

*Spouses*

1) Spouses who are assessed jointly for tax purposes shall enjoy the following procedural status:

- a) They shall jointly exercise the procedural rights and procedural obligations accruing to taxpayers under this Law.
- b) They shall submit a joint tax return and sign it jointly.
- c) Legal remedies and other submissions shall be deemed to have been submitted on time, provided that one spouse acts within the deadline.

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<sup>126</sup> Art. 86 Heading amended by LGBl. 2018 no. 380.

<sup>127</sup> Art. 86 (1) amended by LGBl. 2018 no. 380.

<sup>128</sup> Art. 86 (1a) amended by LGBl. 2024 no. 483.

<sup>129</sup> Art. 86 (2) amended by LGBl. 2018 no. 380.

d) Notices from the tax authorities shall be addressed to the spouses jointly.

2) Spouses who are assessed separately for tax purposes shall exercise the rights and fulfil the obligations referred to in 1 (a) to (c) separately; Notices shall be sent to both spouses.

### 3. Procedural rights of taxpayers

#### Art. 88

##### *Inspection of records*

1) Taxpayers shall be entitled to inspect documents they have submitted or signed. Spouses assessed jointly shall be entitled to inspect each other's records.

2) The other documents concerning them shall be available to taxpayers for inspection, insofar as the procedure for establishing the facts of the matter has been concluded and insofar as this is not contrary to public or private interests.

3) If a taxpayer is denied the opportunity to inspect a record, that record may only be used to the disadvantage of the taxpayer if the relevant authority has informed him or her, either verbally or in writing, of the content that is relevant to the case and has given the taxpayer the opportunity to comment and present counter-evidence.

#### Art. 89

##### *Acceptance of evidence*

The supporting evidence offered by the taxpayer shall be accepted, provided that it is suitable to establish the facts relevant to the assessment.

## Art. 90

*Contractual representation*

Unless personal involvement is required, taxpayers may arrange for a representative to represent them before the tax authorities. The representative must submit a written power of attorney to the authority as identification.

## Art. 91

*Required representation*

1) The tax authorities may require a taxpayer having his or her residence or registered office abroad to appoint a representative in Liechtenstein.

2) If the taxpayer fails to appoint a representative, notices may be served to him or her by public notice, as established in the Service of Documents Act. The same shall apply if the whereabouts of a taxpayer is unknown.

## Art. 92

*Representation of children, wards and persons for whom a legal representative has been appointed*

Children under parental custody shall be represented by the holder of parental custody, wards by their guardian and persons for whom a legal representative has been appointed, by that representative, insofar as his or her remit includes representation in tax matters.

## C. Assessment on the basis of standard procedure

### 1. Procedural duties

#### a) Responsibilities of the tax authorities

##### Art. 93

##### *Establishment of the facts*

1) Together with the taxpayer, the tax authorities shall establish the actual and legal circumstances relevant to full and accurate taxation.

2) In order to establish the facts relevant to taxation they may consult experts, conduct visual inspections, request written or oral statements or certification from the taxpayer and inspect the taxpayer's business accounts and vouchers. The provisions of Art. 97 (3) are reserved.

##### Art. 93a<sup>130</sup>

##### *Binding statements and commitments*

1) The Fiscal Authority may upon request provide binding statements and commitments concerning the tax treatment of a specifically defined set of circumstances that are still to be realised at the time of the request.

2) The Fiscal Authority may upon request, subsequent to examination of circumstances that have come about, make binding undertakings as regards how circumstances that have been examined with reference to past events will be treated for tax purposes in the future.

3) The Government shall settle more specific details by Ordinance, in particular the form, content and requirements of the request, the binding force of the disclosure or undertaking and the charges for processing the request.

<sup>130</sup> Art. 93a inserted by LGBl. 2016 no. 524.

## b) Taxpayer's obligations

## Art. 94

*Tax return*

1) Taxpayers who are subject to property tax and income tax or to corporate earnings tax shall be invited to send in a tax return by public announcement, by personal notification, or by delivery of a tax form. The tax return must be submitted independently of a personal notification or the delivery of a tax form.<sup>131</sup>

2) The taxpayer must complete the tax return truthfully and in full, sign it personally and submit it to the competent tax authority, within the appointed time, together with the accompanying documentation laid down by ordinance.

3) The documents to be submitted in accordance with (2) shall be in German. If the tax authorities request further documents and these documents are in a language other than German, the tax authorities may demand a translation or arrange for a translation at the taxpayer's expense.

4) Any taxpayer who fails to submit a tax return, or submits a tax return that is incomplete shall be required to rectify the situation within a reasonable time.

## Art. 95

*Submission of the tax return*

1) The deadline for submission of the tax return shall be set each year by the Fiscal Authority.

2) Taxable persons moving abroad must submit their tax return before their departure.

3) The competent tax authority may extend the submission deadline for individual taxpayers, upon written request.

4) The Government shall establish the conditions under which an extension of the deadline may be granted, by Ordinance.

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<sup>131</sup> Art. 94 (1) amended by LGBl. 2024 no. 483.

Art. 96<sup>132</sup>*Duty of disclosure*

- 1) The following information must be stated in the tax return:
  - a) for donors and recipients of gifts: gifts they have made or received during the tax year;
  - b) for recipients of inheritances or bequests: inheritances and bequests they have received during the tax year;
  - c) for beneficiaries of grants from foundations, foundation-type establishments or special endowments of assets: the grants they have received during the tax year.
  
- 2) The Government shall establish the minimum amount above which gifts, inheritances, bequests or grants must be declared.

## Art. 97

*Other duties of cooperation*

- 1) Taxpayers shall take all reasonable action to ensure full and accurate assessment.
- 2) When required by the tax authority, they shall in particular provide verbal or written information and present business accounts, vouchers and other certificates and documents relating to their business transactions.
- 3) The powers granted to the tax authorities give them authority over such persons who, in accordance with official or professional secrecy, are obliged to observe confidentiality with respect to the business of third parties (attorney-client privilege, medical confidentiality, banking confidentiality, fiduciary confidentiality, insurance confidentiality and so on) only to the extent that the documents in question are connected with their normal business transactions. Personal data subject to professional confidentiality appearing on such documents may be made illegible or replaced by codes. In case of doubt and upon application by the Fiscal Authority or the taxpayer, impartial auditors appointed by the Chairman of the Na-

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<sup>132</sup> Art. 96 amended by LGBl. 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

tional Tax Commission may be employed as inspection bodies; the Government may establish the details concerning allocation of costs by Ordinance.

4) In the case of taxable legal persons, the members of the executive bodies shall be obliged to cooperate in the assessment of these legal persons, in accordance with the above paragraphs.

#### Art. 98

##### *Electronic data exchange*

1) The Government shall establish the conditions for the electronic exchange of data between the taxpayer and the tax authorities by Ordinance.

2) Another form of signature may be permitted instead of a personal signature.

#### c) Certification and reporting obligations of third parties

#### Art. 99

##### *Certification obligation*

1) The following shall be obliged to issue certificates to taxpayers:

- a) employers, in respect of payments to employees, using the official wage statement form;<sup>133</sup>
- a<sup>bis</sup>) occupational pension schemes and pension funds, in respect of their payments to pensioners, using the official pension statement form;<sup>134</sup>
- a<sup>ter</sup>) insurance institutions, banks, occupational pension schemes and pension funds, in respect of their payments to taxpayers with unlimited tax liability, made because of the surrender of vested benefits policies or cancellation of blocked accounts which were set up in Liechtenstein for the use of vested benefits arising from occupational pension provision;<sup>135</sup>

<sup>133</sup> Art. 99 (1) a) amended by LGBL 2013 no. 202.

<sup>134</sup> Art. 99 (1) a<sup>bis</sup>) inserted by LGBL 2013 no. 202.

<sup>135</sup> Art. 99 (1) a<sup>ter</sup>) inserted by LGBL 2013 no. 202.

- b) legal persons, companies with no legal personality and special asset endowments, in respect of their payments to domestic and foreign members of the board of directors, other bodies and beneficiaries;
- c) creditors or debtors, concerning the existence and amount of claims and the interest applied to them;
- d) insurers, in respect of the surrender value of insurance policies and in respect of payments paid out or owed under the insurance;
- e) companies without legal personality and special asset endowments, in respect of all circumstances of significance for the assessment of partners, the founder or beneficiaries, in particular concerning their share of the income and assets of the companies without legal personality or special asset endowments.

2) If, in spite of reminders, the taxpayer fails to submit a certificate, the tax authority may request this from the third party, subject to legally protected professional secrecy.

#### Art. 100

##### *Reporting obligation*

1) The following shall be submitted to the Fiscal Authority with reference to taxpayers with unlimited liability, every tax year:<sup>136</sup>

- a) by occupational pension schemes and pension funds, a statement of:
  - 1. the payments made to the scheme members or beneficiaries;
  - 2. the payments made to insurance institutions and banks to open a vested benefits policy or blocked account for the use of vested benefits arising from occupational pension provision;<sup>137</sup>
- b) by insurance institutions and banks, a statement of vested benefits policies or blocked accounts that have been opened for the utilisation of vested benefits arising from occupational pension provision:<sup>138</sup>
  - 1. the payments made to beneficiaries upon dissolution of vested benefits policies and of blocked accounts;
  - 2. the continuation of vested benefits policies and blocked accounts beyond normal retirement age.

<sup>136</sup> Art. 100 (1) introductory sentence amended by LGBl. 2013 no. 202.

<sup>137</sup> Art. 100 (1) a) amended by LGBl. 2013 no. 202.

<sup>138</sup> Art. 100 (1) b) amended by LGBl. 2014 no. 344.

1a) The following shall be reported to the Fiscal Authority with reference to taxpayers with unlimited and limited liability from companies without personality, every tax year:<sup>139</sup>

- a) the name and domicile of the partners/proprietors;
- b) the annual financial statements of the company without personality;
- c) the share of the partners/proprietors in the assets and income/profit of the company without personality;
- d) the presence of business premises in Liechtenstein.

2) The Fiscal Authority shall set a deadline every year for the submission of notifications and reports as referred to in (1) and (1a).<sup>140</sup>

3) The municipalities shall submit a copy of the death registration or the inventory to the Fiscal Authority, within 30 days from issue of the death registration or the inventory carried out in accordance with the Non-Contentious Proceedings Act.

4) The Princely Court of Justice shall deliver a copy of the deed of judicial delivery of the estate to the heirs to the Fiscal Authority within 30 days from its entry into force.

## 2. Assessment procedures

### Art. 101

#### *Competence*

1) The assessment shall be conducted by the Fiscal Authority. The following shall assist with the assessment:

- a) in the case of taxable natural persons having their residence or place of habitual abode in Liechtenstein, the municipal tax office of the municipality of residence or the municipality in which the taxpayer's habitual place of abode is located;
- b) for taxable natural persons having neither residence nor habitual place of abode in Liechtenstein, the municipal tax office of the municipality,<sup>141</sup>
  1. in which the domestic assets as referred to in Art. 6 (4) are located;

<sup>139</sup> Art. 100 (1a) inserted by LGBl. 2020 no. 7. Applies for the first time to the 2019 tax year.

<sup>140</sup> Art. 100 (2) amended by LGBl. 2020 no. 7. Applies for the first time to the 2019 tax year.

<sup>141</sup> Art. 101 (1) b) amended by LGBl. 2014 no. 344.

2. in which the real estate or permanent establishment is located, where such income as referred to in Art. 6 (5) a) and b) is involved;
  3. in which the employer has its registered office, where income such as referred to in Art. 6 (5) c) is involved;
  4. in which the legal person or special asset endowment has its registered office or effective place of management, where such income as referred to in Art. 6 (5) d) is involved;
  5. in which the paying office has its registered office, where such income as referred to in Art. 6 (5) e) and f) is involved;
- c) in the case of taxable natural persons with unlimited tax liability, as defined in Art. 6 (1) b), the municipal tax office of their native municipality or, if they are not native to any municipality in Liechtenstein, the municipal tax office competent for the employer's registered office.<sup>142</sup>

2) If the place of assessment cannot be determined in accordance with (1), particularly if the taxpayer's residence and business operations are located in different municipalities, or the taxpayer's business is conducted in several municipalities, the municipality in which the assessment is to be conducted shall be determined by the Fiscal Authority.

#### Art. 102

##### *Execution of the assessment*

1) The tax authorities shall examine the tax return and conduct the necessary investigations.

2) If the taxpayer has not submitted a tax return or the basis for assessment of tax cannot be properly determined in the absence of reliable and complete documentation, the Fiscal Authority shall conduct the assessment according to its due discretion. In doing so it may take into account historic figures based on experience, asset trends and the living expenditure of the taxpayer.

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<sup>142</sup> Art. 101 (1) c) amended by LGBl. 2014 no. 344.

## Art. 103

*Assessment order*

- 1) The tax authorities shall establish the basis for tax assessment, the tax rate and the amount of tax in the assessment order.
- 2) The tax authority shall provide notice of deviations from the tax return upon service of the assessment order at the latest.

**D. Other assessment procedures****1. Real estate capital gains tax**

## Art. 104

*Assessment*

- 1) The property transfer authority shall transmit the contracts it has approved in respect of acquisition of domestic property to the Fiscal Authority.<sup>143</sup>
- 2) The transferring party shall within 30 days from the transfer inform the Fiscal Authority in writing of any changes in ownership on the basis of a transaction that does not have to be approved by the property transfer authority.<sup>144</sup>
- 3) The Fiscal Authority shall invite taxpayers to submit a tax return by service of a tax form.
- 4) The Fiscal Authority shall conduct an assessment for the purposes of real estate capital gains tax.
- 5) The provisions on the general procedural principles and the standard assessment procedure shall otherwise apply *mutatis mutandis*.

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<sup>143</sup> Art. 104 (1) amended by LGBl. 2015 no. 364.

<sup>144</sup> Art. 104 (2) amended by LGBl. 2015 no. 364.

## 2. Taxation of endowments

### Art. 105

#### *Assessment*

1) The transferring party shall notify the Fiscal Authority in writing of any contributions of assets as referred to in Art. 13, within 30 days of the contribution.

2) The Fiscal Authority shall conduct an assessment for the purposes of endowment tax.

3) The provisions on the general procedural principles and the standard assessment procedure shall otherwise apply *mutatis mutandis*.

## 3. Formation tax

### Art. 106

#### *Assessment*

1) The Fiscal Authority is to be notified of the formation or establishment of entities, relocation of a registered office, capital increases and changes in ownership as referred to in Art. 66.

2) The Fiscal Authority shall conduct an assessment for the purposes of formation tax.

3) Repealed<sup>145</sup>

## 4. Tax on insurance premiums

### Art. 107

#### *Fiscal representative*

1) Insurers without a permanent establishment in Liechtenstein, as defined in Art. 2 (1) a) line 1, shall be obliged to appoint an authorised

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<sup>145</sup> Art. 106 (3) repealed by LGBl. 2020 no. 7.

agent (fiscal representative), who shall also be authorised to receive service of documents. The fiscal representative shall fulfil the obligations under tax law incumbent upon the insurer he is representing. He shall be authorised to exercise the rights accorded to the insurer he represents.

2) Only trustees, auditors and attorneys authorised under Liechtenstein law, having their residence or registered office in Liechtenstein, and Liechtenstein-based insurance undertakings may be appointed as a fiscal representative.

3) The fiscal representative shall be liable for payment of tax.

#### Art. 108

##### *Obligation to provide information*

1) Insurers, policy-holders and fiscal representatives have an obligation to provide the Fiscal Authority with information concerning all circumstances that may be of significance to the tax liability or the tax calculation.

2) The insurer shall be obliged to inform the fiscal representative of the conclusion of insurance contracts immediately, indicating any circumstances that may be of significance to the collection of the tax on insurance premiums.

#### Art. 109

##### *Delivery*

1) The insurer shall, without being requested to do so, pay the tax based on the computation to the Fiscal Authority, using the official form, within 30 days from the end of the half-year for the premiums received during that period. The payment shall be broken down according to the class of insurance.

2) The Fiscal Authority may permit settlement procedures that differ from the procedure set out in (1) in order to avoid excessive inconvenience.

## Art. 110

*Instructions, orders and decisions*

The Fiscal Authority shall issue all instructions, orders and decisions that are required for the collection of the tax on insurance premiums.

**E. Tax claim**

## Art. 111

*Joint liability*

1) Spouses who are assessed jointly are jointly and severally liable for payment of the property tax and income tax for themselves and for underage children living with them in the same household. However, each spouse shall only be liable to pay tax for their own share of the total tax, if one of the two spouses is unable to pay.

2) If spouses are assessed separately, the joint and several liability shall cease to apply for all tax debts still outstanding.

3) The following shall be jointly and severally liable with the taxpayer:

- a) for the tax debt of a legally or effectively liquidated legal person: the persons appointed to conduct the administration and liquidation up to the amount of the net assets or the liquidation proceeds. There shall be no liability if the person concerned can demonstrate that all due care has been taken in the circumstances;
- b) for the tax debt of a legal person or special asset endowment without legal personality who relocates its registered office or effective place of management without being subject to liquidation, to territories outside the European Economic Area and Switzerland: its executive bodies or the persons acting on its behalf up to the amount of the net assets of the legal person or special endowment of assets without legal personality at the time of relocating its registered office or effective place of management. There shall be no liability if the person concerned can demonstrate that all due care has been taken in the circumstances;<sup>146</sup>
- c) for the tax debt of the testator in a deceased estate: the persons appointed to distribute the estate up to the amount of the net assets of the deceased estate;

<sup>146</sup> Art. 111 (3) b) amended by LGBL 2018 no. 147. Applies in this form for the first time for the tax assessment for the 2019 tax year.

- d) for the tax debt of a taxpayer with limited tax liability: the persons appointed to conduct the liquidation of the objects on which the tax liability is based, up to the amount of the net assets;
- e) under-age children under the parental custody of the taxpayer, up to the amount of the share of the total tax attributable to them.

4) Each jointly and severally liable person shall be personally liable for the full tax amount, and payment by that person shall release the co-obligors from liability.

#### Art. 112

##### *Tax succession*

When the testator dies, the heirs shall succeed to the tax rights and obligations of the testator.

#### Art. 113

##### *Time at which the tax claim arises and becomes due*

1) The tax claim shall arise at the time at which the taxable event takes place.

2) Subject to the following provisions, tax shall become due upon service of the assessment order.

3) Subject to the provisions of (4) a) the corporate earnings tax for legal persons shall fall due at the time specified by the Fiscal Authority (standard due date).<sup>147</sup>

4) In any case, the tax shall fall due:

- a) on the date of foundation, and each year thereafter on the same due date, for the minimum corporate earnings tax, unless this is assessed (Art. 64 (8) and 65);
- b) on the date on which the taxpayer leaves the country;
- c) at the time specified in the tax notice pursuant to Art. 34 for tax based on expenditure;
- d) upon deletion of the taxable legal person from the Commercial Register;<sup>148</sup>

<sup>147</sup> Art. 113 (3) amended by LGBl. 2013 no. 202.

<sup>148</sup> Art. 113 (4) d) amended by LGBl. 2013 no. 6.

- e) on the date on which the taxpayer with limited tax liability gives up his or her permanent establishments or real estate located in Liechtenstein;
- f) when bankruptcy proceedings are opened in respect of the taxpayer.

5) The due date shall remain unchanged even if an objection or appeal is lodged against the assessment.

6) The tax claim on an insurance premium shall become due 30 days from the end of the half-year in which it arose. It shall commence upon payment of the premium.

#### Art. 114

##### *Payment of the tax claim and delay interest*

1) Unless specified otherwise in this Law, the tax shall be paid within 30 days from the due date, subject to payment accommodation facilities granted in accordance with Art. 131.

2) If the taxpayer moves away, the tax shall be paid no later than the date of departure.

3) Delay interest shall be payable on tax sums that are not paid by the due date. The interest liability shall commence upon expiry of the payment deadline referred to in (1). The interest rate shall be set by the Government by Ordinance.

4) If, for reasons beyond the payer's control, he or she has not received an assessment order or provisional invoice by the time the tax becomes due, the interest liability shall commence 30 days after the order or the invoice has been served.

#### Art. 115

##### *Statute-barring of the assessment*

1) The right to assess tax shall become statute-barred after five years. For taxes owed on a regular basis, the statute-barred period shall commence at the end of the tax year to which it refers, and for taxes that are not due on a regular basis, at the end of the tax year in which the taxable event took place.

- 2) Statute-barring shall not commence or shall be suspended:
- a) during appeal proceedings;
  - b) as long as the tax claim is secured or deferred;
  - c) as long as the taxable person does not have a residence or place of habitual abode in Liechtenstein;
  - d) as long as no attachment proceedings can be conducted against the taxpayer in Liechtenstein; or
  - e) as long as criminal tax proceedings are ongoing with reference to the tax claim.
- 3) The statute-barred period shall be interrupted and start again upon:
- a) acknowledgement of the tax claim by the taxpayer;
  - b) any measure taken by the tax authorities with the knowledge of the taxpayer for the purpose of determining the tax liability or asserting the tax claim; or
  - c) submission of an application for tax relief.
- 4) The right to assess tax shall in any case be statute-barred after ten years; the provision of (1) line 2 shall apply accordingly.
- 5) If a taxable legal person or special asset endowment is deleted from the Commercial Register and later re-entered, the statute-barred period shall be suspended for the period during which it was deleted. (4) shall not apply.<sup>149</sup>

## F. Legal remedies

### Art. 116

#### *Objection to the Fiscal Authority*

- 1) The taxpayer may raise an objection with the Fiscal Authority against assessment orders and other orders within 30 days from service.
- 2) The objection is to be submitted in writing; it must contain the petitions and the justification for them, with an indication of the evidence and must bear the signature of the objector or his or her representative. If the objector is represented by a third party, that third party shall present

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<sup>149</sup> Art. 115 (5) inserted by LGBl. 2024 no. 483.

a written power of attorney as identification. The evidence must be referred to in the letter of objection and enclosed with it.

3) The taxpayer may use the objection to assert any shortcomings, but may only object to a discretionary assessment for obvious inaccuracies.

4) If the formal requirements referred to in (2) have been met, the Fiscal Authority shall review the matter and may amend the order in full or in part. The taxpayer shall have the right to present the objection to the Fiscal Authority in person. If the objection concerns a fully substantiated order, it shall be forwarded as an appeal to the National Tax Commission, upon application or with the consent of the objector.

5) If the objection is dismissed, the cost of the decision shall be borne by the objector. If the objector's petitions are partially successful, the costs shall be proportionately reduced. If the objection is successful, partial or full costs may be imposed on the objector, if he or she brought about the objection proceedings without good reason.

6) Under no circumstances shall costs be awarded for legal fees or representation.

#### Art. 117

##### *Appeal to the National Tax Commission*

1) The taxpayer shall have the right to appeal to the National Tax Commission against an objection decision of the Fiscal Authority within 30 days from delivery.

2) The appeal is to be submitted in writing and must contain the petitions and the justification for them, with an indication of the evidence and must bear the signature of the appellant or his or her representative. If the appellant is represented by a third party, that third party shall present a written power of attorney as identification. The evidence must be referred to in the notice of appeal and enclosed with it.

3) The taxpayer may use the appeal to assert any shortcomings, but may only appeal against a discretionary assessment or discretionary decision for obvious inaccuracies. Evidence withheld in the assessment or objection proceedings may not be subsequently submitted or accepted.

4) If the taxpayer appeals against an objection decision, the appeal shall be submitted to the Fiscal Authority to allow it to respond. Both the taxpayer and the Fiscal Authority shall have the right to present their case to the National Tax Commission in person. If the National Tax Commission exercises its powers under Art. 93 and the taxpayer refuses to comply

with a request to provide information, or submit business accounts or other documents for the purpose of establishing significant facts, the appeal lodged by the taxpayer shall be dismissed as unfounded, without prejudice to any penal consequences.

5) Upon conclusion of the investigation the National Tax Commission shall reach a decision and communicate it to the parties.

6) In the event of rejection of the appeal, the costs of the decision shall be borne by the appellant. If the petitions of the appellant are partially successful, the costs shall be proportionately reduced. If the objection application is successful, partial or full costs may be imposed on the appellant, if he or she brought about the appeal proceedings without good reason.

7) Under no circumstances shall costs be awarded for legal fees or representation.

8) In other respects, appeal proceedings shall be subject to the provisions of the National Administration Act, unless stipulated otherwise in this Law.

#### Art. 118

##### *Appeal to the Administrative Court*

1) An appeal may be lodged with the Administrative Court against a decision of the National Tax Commission within 30 days from delivery.

2) Both the taxpayer and the Fiscal Authority shall have the right to appeal. An appeal by the taxpayer is to be submitted to the Fiscal Authority to allow it to respond.

3) By means of an appeal to the Administrative Court the appellant may object to violations of the law and contend that the contested decision is based on facts that contradict the records or were incompletely established.

4) In other respects, the appeal proceedings shall be subject to the provisions of the National Administration Act, unless stipulated otherwise in this Law.

## G. Changes to legally binding assessments

### Art. 119

#### *Basic principle*

Legally binding assessments may be changed in accordance with this section; changes to such assessments based on the provisions of the National Administration Act are excluded.

#### *Back tax*

### Art. 120

#### *a) Precondition*

1) If, on the basis of facts or evidence unknown to the tax authority, it transpires that no assessment was made, without a good reason for that omission, or a legally binding assessment is incomplete, the tax that was not collected, plus interest, shall be claimed as back tax. The amount of interest shall be determined in accordance with Art. 114 (3).

2) If the taxpayer has correctly and fully declared the components of taxable transactions and figures in his or her tax return, and the valuation of the individual components has been accepted by the tax authorities, no back tax can be collected, even if the valuation was inadequate.

### Art. 121

#### *b) Forfeiture*

1) The right to initiate back tax proceedings shall expire after five years. For tax owed on a regular basis, the time limit shall commence at the end of the tax year for which no assessment has been conducted, and where there is no reasonable explanation for that omission, or for which a legally binding assessment is incomplete, and for tax not owed on a regular basis, at the end of the tax year in which the taxable event took place.

2) Voluntary disclosure and the opening of criminal proceedings shall likewise be considered to be equivalent to the initiation of back tax proceedings.

3) The right to determine back tax shall in all cases expire after ten years; the provisions of (1) line 2 shall apply accordingly.

## Art. 122

*c) Procedure in the event of the taxpayer's death*

Back tax proceedings that have not yet been initiated, or are still to be concluded at the time of the taxpayer's death, shall be initiated or continued with reference to the estate subject to probate administration or the heirs.

## Art. 123

*Review*

1) A legally binding order or decision may be reviewed on request, or ex officio in favour of the taxpayer, if:

- a) significant facts come to light or conclusive evidence is produced; or
- b) the decision-making authority failed to take account of significant facts or conclusive evidence, of which it was aware or should have been aware, or otherwise violated significant procedural principles.

1a) A legally binding order or decision may be reviewed on request in favour of the taxpayer, if:<sup>150</sup>

- a) the conditions for deferral of the tax on capital gains on real estate in accordance with Art. 36 (3) d) are not met until after the assessment has become legally binding;
- b) adjustments in accordance with Art. 63 (3) are to be taken into account by the receiving taxpayer.

2) Review is not permitted if the applicant submits as grounds for review material that, if reasonable care had been exercised, could have already been presented in the ordinary proceedings.

3) A request for review shall be submitted within 90 days from the grounds for review being established, but no later than ten years from delivery of the order or decision.

4) The request for review is to be submitted in writing to the authority that issued the earlier order or decision. The request for review must contain:

- a) a precise description of the individual grounds for review; and
- b) a petition stating the extent to which the earlier order or decision is to be reversed and what the new decision should be.

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<sup>150</sup> Art. 123 (1a) inserted by LGBl. 2024 no. 483.

5) The request for review is to be accompanied by evidence of the grounds for review.

6) The same legal remedies may be adopted against the refusal of a request for review and against the new order or decision, as against the earlier order or decision. The procedure shall be governed by the provisions applying before the competent authorities.

Art. 124<sup>151</sup>

*Mutual agreement and arbitration award*

1) An assessment order shall be issued, reversed or amended, insofar as this is required for implementation of a mutual agreement or an arbitration award under an international tax agreement.

2) The right to issue an assessment order or to submit an application for an assessment order to be amended or reversed shall expire 90 days from conclusion of the mutual agreement or the granting of the arbitration award, but ten years after delivery of the order or decision at the latest.<sup>152</sup>

Art. 124a<sup>153</sup>

*Amendments due to foreign transfer price adjustments*

1) A legally binding assessment order shall be amended on application, insofar as this is required to avoid double taxation in accordance with Art. 63 (2).

2) The right to amend a legally binding assessment shall expire 90 days after the foreign assessment becomes legally binding, but no later than ten years after the end of the tax year to which the assessment relates.

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151 Art. 124 amended by LGBl. 2016 no. 503.

152 Art. 124 (2) inserted by LGBl. 2016 no. 524.

153 Art. 124a inserted by LGBl. 2024 no. 483.

## Art. 125

*Correction of accounting errors and typing mistakes*

1) Accounting errors and typing mistakes in legally binding orders and decisions may be corrected within a period of five years from delivery, at the request of the taxpayer or ex officio, by the authority that made the errors.

2) The same legal remedies may be adopted against the correction or rejection of a correction as against the earlier order or decision.

**H. Tax collection and measures to secure payment of tax**

## Art. 126

*General*

1) Property and income tax shall be collected by the municipal tax offices. All other taxes will be collected by the Fiscal Authority. Every year the Fiscal Authority shall set a threshold below which minor amounts of tax will not be collected or refunded, as appropriate.<sup>154</sup>

2) The authority responsible for tax collection shall make the necessary arrangement to ensure that taxes, back taxes, fines, interest and costs are collected by issuing invoices, reminders and enforcement orders.

## Art. 127

*Provisional and final collection*

1) National taxes shall be collected according to assessment, subject to (2).

2) Corporate earnings tax for legal persons, with the exception of the minimum corporate earnings tax referred to in Art. 64 (8) and Art. 65, shall initially be collected on a provisional basis, based on the tax return, the last legally enforceable assessment or the presumed amount of tax owed. It will be finally assessed and collected after examination of the tax return.<sup>155</sup>

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<sup>154</sup> Art. 126 (1) amended by LGBl. 2016 no. 524.

<sup>155</sup> Art. 127 (2) amended by LGBl. 2013 no. 202.

3) The provisional invoice shall constitute an enforcement deed as defined by the Enforcement Regulation.

4) Tax collected provisionally shall be set off against the tax owed on the basis of the (final) assessment. Underpaid tax will be subject to a demand for back tax, overpayments will be refunded.

5) The Government shall establish the procedure concerning provisional collection and the extent to which interest shall be payable on the sums referred to in (4), by Ordinance.

*Statute-barring of collection*

Art. 128

*a) Basic principle*

1) Tax claims shall become statute-barred five years after the assessment has become legally binding.

2) Suspension and interruption of the statute-barred period shall be governed by Art. 115.

3) The statute-barred period shall in all cases expire ten years from the end of the year in which the tax was assessed by legally binding assessment.

Art. 129

*b) Tax on insurance premiums*

1) Tax on insurance premiums shall become statute-barred five years from the end of the calendar year in which the premium was paid.

2) Suspension and interruption of the statute-barred period shall be governed by Art. 115.

3) Suspension and interruption shall be applicable to all parties under a payment obligation.

4) The statute-barred period shall in all cases expire ten years from the end of the year in which the premium was paid.

## Art. 130

*Recovery of tax paid*

- 1) The taxpayer may claim a refund of tax paid, if he or she has paid in error tax that was only partially owed or not owed at all.
- 2) If more than 30 days have passed since the tax was paid, refundable tax amounts shall accrue interest from the date the tax was paid. The Government shall establish the rate of interest by Ordinance.
- 3) Any claim for a refund must be asserted within five years from the end of the calendar year in which the tax was paid.

## Art. 131

*Payment facilities*

- 1) If paying taxes, back taxes, interest, costs or fines on time causes considerable hardship, the collection authority may grant a deferral, payment by instalments or other payment facilities on request.
- 2) Payment facilities granted shall be revoked if the conditions under which they were granted no longer apply or the conditions attached to them are not met.

## Art. 132

*Tax allowance*

- 1) Taxes, back taxes, interest, costs or fines may be reduced or waived entirely if their payment would cause the debtor unreasonable hardship.
- 2) An application for a tax allowance shall be submitted to the Fiscal Authority, which before coming to its decision shall obtain comments from the municipalities whose interests are affected by the request.
- 3) If the application is rejected in full or in part, the applicant may lodge an appeal with the Government within 30 days from delivery of the decision.

## Art. 133

*Measures to secure payment of tax*

1) Unless specified otherwise below, the provisions of the Enforcement Regulation concerning the protection of rights shall apply to measures to secure payment of tax.

2) In urgent cases the tax authorities may order and implement temporary safeguarding measures. Confirmation of the safeguarding measures imposed shall be issued to the party against whom the measures are directed.

3) If a tax authority has ordered temporary safeguarding measures in an urgent case, it must within eight days from implementation of the temporary safeguarding measures apply to the Princely Court of Justice for an interim injunction, failing which the safeguarding measures shall be rendered invalid.

4) No prima facie evidence of the claim and the risk is required for an interim injunction to be granted. Granting an interim injunction may not be made contingent upon the payment of security.

Art. 133a<sup>156</sup>*Deletion from the Commercial Register*

A legal person, a partnership or a special endowment of assets may not be deleted from the Commercial Register until the Fiscal Authority has informed the Office of Justice that all outstanding tax debts have been paid. Deletions based on a judicial or administrative order or made by the Office of Justice ex officio shall be reserved.

## Art. 134

*Entry in the Land Register*

1) Transfer of ownership of real estate may not be entered in the Land Register, until evidence is provided that the tax payable on the transfer has been paid.

2) The Fiscal Authority may grant exemptions if sufficient other security has been provided for the payment of this tax.

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<sup>156</sup> Art. 133a inserted by LGBl. 2020 no. 503.

3) If the change of ownership has been brought about through an enforced sale or a public or voluntary auction process, the tax due from the transfer shall be paid in advance, from the highest bid or the auction proceeds.

## V. Penal Provisions

### A. Infringements

#### 1. Breach of procedural duties and tax obstruction

##### Art. 135

##### *Breach of procedural duties*

Any person who, in spite of reminder, wilfully or with negligence fails to fulfil, or does not properly fulfil a duty incumbent upon him or her in accordance with the provisions of this Law or the ordinances issued in connection with it, or in accordance with an instruction imposed by the tax authority on the basis of this Law, shall be penalised for an infringement with fines of up to 1 000 Francs and in the case of serious or repeated offences, up to 10 000 Francs.

##### Art. 136

##### *Tax obstruction*

A fine of up to 20 000 Francs for infringement will be imposed on any person who, without committing the offences referred to in Art. 137 or 140, wilfully or through negligence jeopardises the lawful collection of formation tax or the tax on insurance premiums, by:

- a) failing to meet the obligation to submit tax returns, statements and accounts, to provide information and to present business accounts, registers and vouchers;
- b) providing untrue information or withholding significant facts on a tax return, a statement or accounts or presenting false evidence in respect of significant facts for that purpose;
- c) providing inaccurate information;
- d) impeding or obstructing the proper implementation of an inspection or making it impossible.

## 2. Tax evasion

### Art. 137

#### *Tax evasion*

- 1) A fine shall be imposed for an infringement on any person who:
- a) as a taxpayer, wilfully or through negligence frustrates a demand for tax which he or she is liable to pay, by making incorrect or incomplete statements on a tax return or in voluntary disclosures, or by providing incorrect or incomplete information, or who otherwise culpably withholds payment of tax;
  - b) as a person liable to deduct tax at source, wilfully or through negligence does not make a tax deduction or makes an incomplete deduction;
  - c) wilfully or through negligence withholds formation tax or tax on insurance premiums for his or her own benefit or the benefit of another person;
  - d) as a taxpayer or as a person liable to deduct tax at source, wilfully or through negligence obtains an unlawful refund or an unjustified abatement.

2) The fine shall as a rule be the amount of the tax or charge evaded. It may be reduced by up to two thirds in the event of a minor fault or misdemeanour, or increased to up to three times the amount in the case of a serious offence.

### Art. 138

#### *Attempt*

- 1) Any person attempting to evade tax will be prosecuted.
- 2) The fine shall be two thirds of the fine that would have been imposed for successful, deliberate tax evasion.

### Art. 139

#### *Accessory*

- 1) Any person who deliberately induces another to commit tax evasion or who otherwise deliberately contributes towards its perpetration shall be ordered to pay a fine, regardless of the culpability of the taxpayer.

2) The fine shall be up to 10 000 Francs and in serious cases, or repetition of the offence, up to 50 000 Francs.

## **B. Offences**

### Art. 140

#### *Tax fraud*

Any person who evades tax by deliberate use of false or falsified business accounts with untrue content, or other documents, shall be punished for an offence with a custodial sentence of up to six months, or a financial penalty of up to 360 daily rates.

### Art. 141

#### *Misappropriation of tax to be deducted at source*

Any person liable to deduct tax at source, who uses deducted tax for his or her own benefit, or the benefit of another, shall be punished for the offence with a custodial sentence of up to six months or a financial penalty of up to 360 daily rates.

## **C. Common provisions**

### Art. 142<sup>157</sup>

#### *Voluntary disclosure*

1) If a person liable to tax voluntarily reports an instance of tax obstruction, tax evasion or misappropriation of tax to be deducted at source, or a tax fraud committed by him or herself, for the first time after 1 January 2011, without being induced to do so by an imminent risk of discovery, no penalty shall be imposed on that person, who shall only be liable for back tax.

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<sup>157</sup> Art. 142 amended by LGBl. 2014 no. 108.

2) For each additional voluntary disclosure of tax evasion, the fine shall be reduced to one fifth of the tax evaded. Back tax will be payable in addition to the fine.

3) If an accessory (Art. 139) reports an offence as referred to in (1) of his or her own accord, without being induced to do so by an imminent risk of discovery, no penalty shall be imposed on that person.

4) If heirs have done everything that could be reasonably expected of them, of their own accord, to enable the tax authorities to establish an offence such as referred to in (1), no penalties shall be imposed on them and only back tax shall remain to be paid.

#### Art. 143

##### *Responsibility of legal persons*

1) If offences as referred to in Art. 135 to 137 are committed, or an attempt is made to commit an offence referred to in Art. 137, having consequences for a legal person, that legal person shall be subject to a fine.

2) If contributory offences (Art. 139) to tax evasion (Art. 137) by third parties have been committed within the business operations of a legal person, Art. 139 shall apply to that legal person.

3) The governing bodies shall be liable for the fines imposed, insofar as the fine is not paid by the legal person.

4) The governing body shall be penalised in the case of the offences referred to in Art. 140 and 141.

#### Art. 144

##### *Liability of representatives*

If, in cases where a representative has been appointed, an offence pursuant to this Law is committed by a legal representative, or an officially or contractually appointed representative, in the course of their activities on behalf of the represented party, the represented party shall be required to pay the fine or financial penalty. The represented party may only be released from this obligation by demonstrating that he or she was unable to prevent the actions of the representative and their effects. The representative shall be subject to the provisions of Art. 135 to 141.

## Art. 145

*Statute-barring*

- 1) Prosecution and enforcement of penalties shall be statute-barred:
- a) in one year in the case of breach of procedural duties and tax obstruction;
  - b) in five years in the case of tax evasion, tax fraud and misappropriation of taxes to be deducted at source.

2) The statute-barred period for prosecution shall commence at the end of the year in which the violation of the law was last committed. It shall be suspended for any length of time during which the perpetrator is abroad. The statute-barred period shall be interrupted by any investigation proceedings conducted against the perpetrator by the competent authority. The statute-barred period shall start again after any interruption. The original statute-barred period may not be more than doubled.

3) The statute-barred period for enforcement of penalties shall begin upon the legally enforceable conclusion of the penal proceedings. It shall be suspended for any period during which the penalty cannot be enforced in Liechtenstein. The statute-barred period for enforcement of penalties shall be interrupted by any enforcement proceedings conducted by the competent authority against the sentenced person. The period of statute-barring shall start again after any interruption. The original statute-barred period may not be more than doubled.

## Art. 146

*Conditional penalties*

Conditional sentences may not be passed in the case of fines.

## Art. 147

*Distribution of fines and financial penalties*

- 1) Fines imposed by the competent municipal tax office shall accrue to the municipality concerned, which shall be responsible for collection.
- 2) All other fines and financial penalties are due to the State.

## D. Penal proceedings

### Art. 148

#### *Competence*

- 1) Breaches of procedural duties shall be prosecuted by the tax authority against which the breach was committed.
- 2) Tax evasion or tax obstruction shall be prosecuted by the Fiscal Authority.
- 3) Prosecution of tax fraud or a misappropriation of tax to be deducted at source shall fall within the jurisdiction of the Princely Court of Justice.

### Art. 149<sup>158</sup>

#### *Procedure in the event of breach of procedural duties and tax obstruction*

- 1) In proceedings for breach of procedural duties and tax obstruction the Fiscal Authority and the municipal tax office may, if the facts and the legal situation are clear, act by way of a penal order. Unless provided otherwise in this Law, Art. 53 et seq. of the Administrative Criminal Law Act shall apply mutatis mutandis.
- 2) In other cases, unless provided otherwise by this Law, the proceedings shall be governed by Art. 40 et seq. of the Administrative Criminal Law Act mutatis mutandis.

### Art. 150

#### *Procedure for tax evasion*

- 1) Unless provided otherwise in the Law, Art. 40 et seq. of the Administrative Criminal Law Act shall apply mutatis mutandis in proceedings for tax evasion.<sup>159</sup>
- 2) The person affected by the proceedings shall be given an opportunity to respond to the accusations against him or her; the person shall be informed of their right to refuse to comment and cooperate.

<sup>158</sup> Art. 149 amended by LGBl. 2025 no. 375.

<sup>159</sup> Art. 150 (1) amended by LGBl. 2025 no. 375.

3) Evidence from back tax proceedings may only be used in penal proceedings, provided that the evidence has not been obtained with the threat of an assessment based on due discretion, with a reversal of the burden of proof pursuant to Art. 102, nor with the threat of a fine for a breach of procedural duties.

4) Professional confidentiality shall be observed.

#### Art. 151

##### *Appeal proceedings*

1) Administrative penalty decisions of the Fiscal Authority may be contested by an appeal to the National Tax Commission within 14 days from delivery.

2) Objections (Art. 55 VStG) may be lodged with the Fiscal Authority against penal orders of the Fiscal Authority or the municipal tax office within 14 days from delivery. If a penal order sets a fine of up to 2 000 Francs, only an appeal as set out in (1) is permitted, as opposed to an objection.<sup>160</sup>

3) Appeal decisions of the National Tax Commission may be contested within 14 days from delivery by an appeal to the Administrative Court.

#### Art. 152

##### *Criminal court provisions*

Proceedings for tax fraud or misappropriation of tax to be deducted at source shall be governed by the provisions concerning criminal court proceedings.

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<sup>160</sup> Art. 151 (2) amended by LGBl. 2025 no. 375.

## VI. Transitional and final provisions

### Art. 153

#### *Implementing Ordinances*

The Government shall issue the ordinances required for the implementation of this Law.

### Art. 154

#### *Pending proceedings*

Back tax and penal proceedings that are already pending upon entry into force of this Law shall be governed by the provisions of the law previously in force. If the application of the new law would lead to a more lenient penalty, then the new law shall apply.

### Art. 155

#### *National Tax Commission*

The existing members of the National Tax Commission shall remain in office until reaching the end of their term of office, even after this Law comes into force.

### Art. 156<sup>161</sup>

#### *Simplified procedure for voluntary disclosures*

For persons subject to taxation in accordance with Art. 6 et seq. of this Law and/or Art. 31 et seq. of the previous law, who in the period from 1 January 2014 to 31 December 2014 make a voluntary disclosure as defined in Art. 142, a back tax payment in the form of a lump sum of 2.5 %, plus the municipal tax office surcharge on all assets not declared as at 1 January 2013, shall be levied on request on their undeclared assets and income, instead of the back tax in accordance with Art. 142 (1).

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<sup>161</sup> Art. 156 amended by LGBl. 2014 no. 108.

## Art. 157

*Repeal of previous law*

The following shall be repealed:

1. Law of 30 January 1961 on National and Municipal Taxes (Tax Act), LGBL 1961 no. 7;
2. Law of 30 January 1962 amending Art. 118 of the Tax Act, LGBL 1962 no. 5;
3. Law of 4 June 1963 amending the Tax Act, LGBL 1963 no. 19;
4. Law of 10 December 1965 amending the Tax Act, LGBL 1966 no. 4;
5. Law of 29 December 1966 amending and supplementing the Tax Act (introduction of a coupon tax), LGBL 1966 no. 31;
6. Law of 21 December 1968 amending the Tax Act, LGBL 1969 no. 7;
7. Law of 22 December 1969 amending the Tax Act, LGBL 1970 no. 5;
8. Law of 1 March 1970 supplementing the Law on National and Municipal Taxes, LGBL 1970 no. 18;
9. Law of 17 December 1970 amending the Tax Act, LGBL 1971 no. 9;
10. Law of 13 December 1973 amending the Tax Act, LGBL 1974 no. 10;
11. Publication of 5 October 1999 concerning correction of Liechtenstein Legal Gazette 1974 no. 10, LGBL 1999 no. 191;
12. Law of 22 December 1975 amending the Tax Act, LGBL 1976 no. 8;
13. Law of 20 December 1976 amending the Tax Act, LGBL 1977 no. 12;
14. Law of 4 April 1979 amending the Tax Act, LGBL 1979 no. 23;
15. Law of 15 April 1980 amending the Law on National and Municipal Taxes (Tax Act), LGBL 1980 no. 41;
16. Law of 18 December 1980 amending the Tax Act, LGBL 1981 no. 10;
17. Law of 12 June 1985 creating a law to amend the Tax Act, LGBL 1985 no. 47;
18. Law of 3 July 1985 amending the Tax Act, LGBL 1985 no. 51;
19. Law of 24 June 1987 amending the Law on National and Municipal Taxes (Tax Act), LGBL 1987 no. 34;
20. Law of 24 June 1987 amending the Tax Act, LGBL 1987 no. 39;
21. Law of 11 November 1987 amending the Law on National and Municipal Taxes (Tax Act), LGBL 1987 no. 66;
22. Law of 11 November 1987 amending the Law on National and Municipal Taxes (Tax Act), LGBL 1987 no. 67;

23. Law of 27 June 1990 amending the Tax Act, LGBL. 1990 no. 50;
24. Law of 12 September 1990 amending the Tax Act, LGBL. 1990 no. 54;
25. Publication of 12 July 1994 of the repeal of Art. 16 (1) and Art. 34 (1) of the Tax Act through the decision of the Constitutional Court of the Principality of Liechtenstein of 26 May 1994 (StGH 1994/6), LGBL. 1994 no. 60;
26. Law of 22 March 1995 amending the Tax Act, LGBL. 1995 no. 103;
27. Law of 13 September 1995 amending the Tax Act, LGBL. 1995 no. 205;
28. Law of 3 May 1996 amending the Tax Act, LGBL. 1996 no. 88;
29. Law of 30 October 1996 amending the Tax Act, LGBL. 1997 no. 17;
30. Law of 30 October 1996 amending the Tax Act, LGBL. 1997 no. 20;
31. Law of 30 October 1996 amending the Tax Act, LGBL. 1997 no. 22;
32. Law of 18 December 1997 amending the Tax Act, LGBL. 1998 no. 36;
33. Publication of 6 October 1998 of the repeal of provisions of Constitutional Court Act and the Tax Act through the decision of the Constitutional Court of the Principality of Liechtenstein of 30 January 1998 (StGH 1997/25), LGBL. 1998 no. 166;
34. Law of 22 October 1998 amending the Tax Act, LGBL. 1998 no. 218;
35. Law of 12 May 2004 amending the Tax Act, LGBL. 2004 no. 142;
36. Law of 19 October 2005 amending the Law on National and Municipal Taxes (Tax Act), LGBL. 2005 no. 247;
37. Publication of 10 January 2006 of the repeal of Art. 37 (1) line 2 and (2) line 2 of the Tax Act by the ruling of the Constitutional Court of the Principality of Liechtenstein of 28 November 2005 (StGH 2004/74), LGBL. 2006 no. 1;
38. Law of 17 May 2006 amending the Law on National and Municipal Taxes (Tax Act), LGBL. 2006 no. 130;
39. Law of 22 June 2006 amending the Law on National and Municipal Taxes (Tax Act), LGBL. 2006 no. 279;
40. Law of 24 October 2007 amending the Law on National and Municipal Taxes (Tax Act), LGBL. 2007 no. 332;
41. Law of 24 October 2007 amending the Tax Act, LGBL. 2007 no. 338;
42. Law of 24 April 2008 amending the Law on National and Municipal Taxes (Tax Act), LGBL. 2008 no. 149;
43. Law of 16 March 2010 amending the Tax Act, LGBL. 2010 no. 139;
44. Law of 30 June 2010 amending the Tax Act, LGBL. 2010 no. 239.

## Art. 158

*Continued validity of previous law*

1) The provisions concerning coupon tax set out in Art. 88a to 88p, 144a, 146a, 151 (3) and Art. 152 (1) of the previous law shall continue to apply to existing reserves.

2) Existing reserves shall be the amount of equity capital on the date on which this Law comes into force that does not consist of paid-up nominal capital, share capital or equity capital, and to which Art. 88d or 88e of the previous law was applicable. Existing reserves shall be deemed to have been used first of all for published and undisclosed distributions of profit; the balance of existing reserves shall be updated accordingly.

3) A coupon tax as referred to in (4) shall be levied until 31 December 2015 on the existing reserves as at the time of the amendment of the law of 4 September 2014, even if no distribution is made.<sup>162</sup>

4) In derogation of Art. 88h of the previous law, the tax rate for the coupon tax for 2014 and 2015 shall be 2.5 %.<sup>163</sup>

5) Liquidations concluded before 30 June 2011 of legal persons, who prior to 1 January 2011 were subject to the tax liability referred to in Art. 73 to 81 of the previous law, shall be taxed in accordance with the previous law.

6) Legal persons and trust enterprises that prior to 1 January 2011 were subject to tax liability in accordance with Art. 31 (1) c) of the previous law, and their beneficiaries, shall be taxed in accordance with the previous law for the following three years. Upon application, these legal persons shall be taxed in accordance with Art. 44 to 65 of this Law, even before expiry of that period.<sup>164</sup>

7) Art. 82bis and 83 to 85 and 88 of the previous law shall continue to apply to legal persons and special asset endowments that prior to the coming into force of Art. 64 of this Law met the requirements of Art. 83 and 84 of the previous law, for a further three years. The minimum amount referred to in Art. 83 (1) and Art. 84 (4) of the previous law in this connection shall be 1 200 Francs. The minimum amount shall be due in the re-

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<sup>162</sup> Art. 158 (3) amended by LGBl. 2014 no. 344.

<sup>163</sup> Art. 158 (4) amended by LGBl. 2014 no. 344.

<sup>164</sup> Art. 158 (6) amended by LGBl. 2011 no. 171.

spective tax year, irrespective of the duration of the tax liability. Upon application, these legal persons shall be taxed in accordance with Art. 44 to 65 of this Law, even before expiry of that period.<sup>165</sup>

8) For legal persons who before the entry into force of Art. 64 of this Law were subject to taxation in accordance with Art. 31 (1) c) of the previous law, or prior to that time were subject to taxation under Art. 83 and 84 of the previous law, the requirements of Art. 64 (1) d) of the present Law shall be deemed to have been met, if the articles of incorporation of these legal persons rule out commercial operations and these legal persons meet the other requirements of Art. 64 of this Law.<sup>166</sup>

9) Losses that on the day before the entry into force of this Law are eligible for carrying forward shall remain so after this Law comes into force. This shall not apply in the event of change in the type of taxation as referred to in (6) or (7).

10) Art. 101 of the previous law shall continue to apply until the Law on Non-Contentious Proceedings comes into force.

#### Art. 159

##### *Taxation of legal persons subject to previous property and income tax*

1) If a legal person who is subject to property and income tax under Art. 31 (1) c) of the previous law is taxed in accordance with Art. 44 to 65 of the present Law, that legal person shall pay tax pursuant to Art. 13 by analogy, if:

- a) beneficial interests are not subject to property tax; and<sup>167</sup>
- b) the option referred to in Art. 9 (3) has not been exercised.

2) Any gift tax paid on assets contributed to the legal person shall be deducted in this connection.

<sup>165</sup> Art. 158 (7) amended by LGBl. 2013 no. 202.

<sup>166</sup> Art. 158 (8) amended by LGBl. 2011 no. 171.

<sup>167</sup> Art. 159 (1) a) amended by LGBl. 2013 no. 202.

## Art. 160

*Entry into force*

1) Subject to the provisions of (2) and (3), and provided that the deadline for calling a referendum expires unutilised, this Law shall enter into force on 1 January 2011, otherwise on the date of its promulgation.

2) The following shall be applied for the first time:

- a) the provisions concerning property tax and income tax, to the property tax and income tax to be assessed for 2011;
- b) the provisions concerning deduction of tax at source, subject to c), to tax deductions to be withheld in 2011;
- c) the provisions concerning domestic income as referred to in Art. 6 (5) e) and deduction of tax at source in accordance with Art. 24 (2) c), to tax deductions to be withheld in 2012;
- d) the provisions concerning corporate earnings tax, to the corporate earnings tax to be assessed for 2011;
- e) the provisions concerning the tax on real estate capital gains, to capital gains on real estate achieved in 2011;
- f) the provisions concerning formation tax, to new businesses and start-ups commencing in 2011 and relocation of a registered office to Liechtenstein, capital increases and changes in the ownership of holdings that take place in 2011;
- g) the provisions concerning taxation based on expenditure, to applications made as from 2011;
- h) the provisions concerning taxation of insurance premiums, to premiums paid in 2011.

3) The provisions concerning private asset structures, as set out in Art. 64, shall come into effect as soon as they have been deemed to be in conformity with the rules on State aid under Art. 61 EEA Agreement by the EFTA Surveillance Authority (ESA), but no earlier than the time specified in (1). The Government shall announce the time of entry into force in the Liechtenstein Legal Gazette.<sup>168</sup>

On behalf of the Reigning Prince of Liechtenstein:  
signed *Alois*  
Hereditary Prince

signed *Dr. Klaus Tschüscher*  
Prime Minister

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<sup>168</sup> Further to the announcement of 22.2.2011, LGBl. 2011 no. 67, Art. 64 entered into force on 1 March 2011.



640.0

## Transitional Provisions

640.0 Tax Act (SteG)

105

**Liechtenstein Legal Gazette**

2012

no. 303

issued on 12 October 2012

**Law**  
of 25 April 2012  
**amending the Tax Act**

...

**II.****Entry into force**

1) This Law shall enter into force on the date of its promulgation and, subject to the provisions of (2) and (3), shall apply for the first time to assessments for the 2012 tax year.

2) Art. 45 (2) shall apply for the first time to the assessment for the 2011 tax year.

3) Art. 16 (2) d) shall apply for the first time to the 2013 tax year.

...

**Liechtenstein Legal Gazette**

2014

no. 344

issued on 23 December 2014

**Law**  
of 4 September 2014  
**amending the Tax Act**

...

**II.****Entry into force**

1) This Law shall enter into force on the day after its promulgation and, subject to the provisions of (2) to (5), shall apply for the first time to the tax assessment for the 2014 tax year.

2) Legal persons liquidated before this Law comes into force or whose account closing date for the 2014 tax year falls before the entry into force of this Law, shall be taxed in accordance with the previous law.

3) Natural persons who move abroad before this Law comes into effect shall be taxed in accordance with the previous law.

3a) If one-off contributions are made to approved pension schemes, pension funds and similar schemes for occupational pension provision before 4 September 2014, these contributions and the current contributions to the amount referred to in Art. 16 (3) e) of the previous law may be deducted from the taxable income in the tax return for the 2014 tax year, insofar as these contributions together exceed the maximum permissible percentage pursuant to Art. 16 (3) e) of the new law.<sup>169</sup>

4) For taxpayers with unlimited tax liability, Art. 24 (1) and Art. 25 (2) and (3) shall be applied for the first time to tax deductions to be withheld

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<sup>169</sup> No. II (3a) inserted by LGBI. 2014 no. 345.

in 2015, with regard to remuneration paid to members of the Board of Directors, Foundation Board or members of similar executive bodies of legal persons and special asset endowments, that these members receive in respect of their services in these executive functions (Art. 14 (2) d<sup>bis</sup>).

5) The allocation of tax receipts referring to taxpayers with limited tax liability between the State and the municipalities pursuant to Art. 75 (1), shall apply for the first time to tax receipts for the 2014 tax year.

...

**Liechtenstein Legal Gazette**

2016

no. 344

issued on 3 November 2016

**Law**  
of 31 August 2016  
**amending the Tax Act**

...

**II.**  
**Entry into force**

This Law shall enter into force on the day after its promulgation and shall apply for the first time to the tax assessment for the 2017 tax year.

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**Liechtenstein Legal Gazette**

2016

No. 524

issued on 31 December 2016

**Law**  
of 4 November 2016  
**amending the Tax Act**

...

**II.**  
**Transitional provision**

Art. 55 of the previous law shall continue to apply to those earnings arising from intellectual property rights of legal persons and self-employed persons, who are subject to taxation in accordance with this provision in the 2016 tax year, up to and including the 2020 tax year.

...

**Liechtenstein Legal Gazette**

2018

no. 147

issued on 12 July 2018

**Law**  
of 7 June 2018  
**amending the Tax Act**

...

**II.****Transitional Provisions**

## § 1

*Transitional provision in respect of Art. 48*

1) Art. 48 (3) b) and (4) to (7) of this Act shall not apply to dividends from holdings in foreign legal entities until the 2022 tax year, provided such holdings have been acquired prior to 1 January 2019.

2) Art. 48 (3) b) and (4) to (7) of this Act shall not apply to distributions from foreign foundations, establishments structured in a similar way to foundations and special asset endowments with legal personality until the 2022 tax year, provided the beneficial interests existed prior to 1 January 2019.

## § 2

*Transitional provision in respect of Art 52 (6) and (8)*

1) If, in previous financial years a depreciation has been made in accordance with Art. 53 (1) of the existing law, in respect of shares in the transferring undertaking and if this depreciation has not yet been written

up to its full amount as provided in Art. 53 (2) of the existing law, in derogation of Art. 52 (6) of this Act, a write up having an impact on tax shall be made in the accepting undertaking to a maximum of the depreciations that have not yet fully made up ground.

2) If, in previous financial years a depreciation has been made in accordance with Art. 53 (1) of the existing law, in respect of shares in the transferring undertaking, and if this depreciation has not yet been written up to its full amount as provided in Art. 53 (2) of the existing law, in derogation from Art. 52 (8) of this Act, these shares shall be deemed to be sold at their acquisition cost and the shares replacing them acquired at that value.

### § 3

#### *Transitional provision in respect of Art. 53*

If depreciations or value adjustments having an impact on tax have been made in respect of holdings in legal entities, because of a permanent fall in value as referred to in Art. 53 of the existing law, and if after this Act enters into force the grounds for the permanent fall in value no longer apply, Art. 53 of the existing law shall continue to apply with the proviso that:

- a) if the conditions referred to in Art. 53 (2) of the existing law apply, a write up that is relevant for tax purposes is applied;
- b) if the conditions referred to in Art. 53 (3) of the existing law apply, the depreciations that have not yet been written up to their full amount are taxed.

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**Liechtenstein Legal Gazette**

2020

no. 7

issued on 29 January 2020

**Law**

of 4 December 2019

**amending the Tax Act**

...

**I.**

**Entry into force**

1) This Law shall enter into force on the day after its promulgation.

2) Art. 15 (2) h<sup>bis</sup>), Art. 16 (3) a) and i), and Art. 100 (1a) and (2) shall apply for the first time to the 2019 tax year.

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**Liechtenstein Legal Gazette**

2021

no. 256

issued on 20 August 2021

**Law**  
of 11 June 2021  
**amending the Tax Act**

...

**II.****Transitional provision**

The surcharge referred to in Article 23 (5) b) shall be 150 % for the 2021 tax year.

**III.****Entry into force**

This Law shall enter into force on the day after its promulgation and shall apply for the first time to assessments for the 2021 tax year that take place after its entry into force.

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## Liechtenstein Legal Gazette

2022

no. 232

issued on 19 July 2022

### **Law** of 2 June 2022 **amending the Tax Act**

...

#### **II.**

##### **Entry into force**

1) This Law shall enter into force at the same time as the Law of 2 June 2022 amending the Law on Persons and Companies<sup>170</sup>.

2) It shall apply for the first time to financial years beginning after 31 December 2022.

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<sup>170</sup> LGBL 2022 no. 227, entry into force: 1 August 2022.

**Liechtenstein Legal Gazette**

2024

no. 483

issued on 23 December 2024

**Law**  
of 8 November 2024  
**amending the Tax Act**

...

**II.**

**Entry into force**

1) This Law shall enter into force on 1 January 2025, subject to (2), and shall apply for the first time to assessments for the 2025 tax year.

2) Art. 5 shall enter into force on 1 January 2026 and shall apply for the first time to assessments for the 2026 tax year.

...